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East Europe

FBIS-EEU-93-016
Wednesday
27 January 1993

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FBIS-EEU-93-016 CONTENTS *27 January 1993*

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INTERNATIONAL AFFAIRS

Bosnian Serb Militia Head Quits Peace Talks *[AFP]* 1
Bosnian Serbs Promise UN Time To End Fighting *[AFP]* 1
EC Panel Probes Reported Mass Rapes in Bosnia 1
  'Sharply' Criticizes UN, EC Personnel *[AFP]* 1
  Urges Rape Be Treated as War Crime *[AFP]* 2

ALBANIA

Foreign Ministry Official Meets EC Representative *[ATA]* 4
Pan-European Organization To Support Reform *[ATA]* 4
Council of Ministers Approves Amendments to Laws *[ATA]* 4
Environmental Protection Plan Drafted *[ATA]* 5
Assembly Groups Discuss Bills on Private Property *[ATA]* 5
Muco Meets With Kosovo Trade Union Leaders *[ATA]* 5
Bulgize Mine Workers Continue Working 'Normally' *[ATA]* 5
Cabinet Group Discusses Economic Reform Measures *[ATA]* 5
Two Banks Merge To Form National Trade Bank *[ATA]* 5
Meksi Urges Reform at PD Council Meeting *[ATA]* 6
Zhulali, French Delegation Assess Relations *[Tirana Radio]* 6
Vasho Meets NATO Defense College Commander *[ATA]* 6
Number of Persons Not Being Assisted Increasing *[ZERI I POPULLIT 14 Jan]* 6
Lawyer Says Hoxha 'Did Not Wish To Rob' State *[AFP]* 6
  Final Defense Efforts Made *[Tirana Radio]* 7
  Hoxha Sentenced to 9 Years *[AFP]* 7

BULGARIA

Zhelev Congratulates Havel on Election Victory *[BTA]* 8
More Serbian Ships Refuse Customs Inspections *[BTA]* 8
  Government Sends Note to UN *[BTA]* 8
  Foreign Ministry Statement *[BTA]* 8
Prime Minister Opposes Intervention in Bosnia *[Paris LE FIGARO 20 Jan]* 9
ASO Chairman Views New BSP Political Role *[DUMA 22 Jan]* 9
Parliamentary Group Expels Michkovski, Ludzhev *[Sofia Radio]* 10
World Bank Official on New Loan Aid *[BTA]* 10
Charges of Interference With Judiciary Rejected *[BTA]* 11
Security Council Examines 'Urgent' Army Issues *[Sofia Radio]* 12
Defense Minister Meets Turkish Commander *[Ankara TV]* 12
  Meets Bundeswehr Delegation *[BTA]* 12

CZECH REPUBLIC

Parliament Elects Havel First President *[AFP]* 13
  Klaus Welcomes Havel's Election *[Prague Radio]* 13
  Havel Holds News Conference *[Prague Radio]* 13
Havel Willing To Mediate on Gabcikovo Dam *[Budapest Radio]* 13
Czech-Slovak Border Closure 'Technically Prepared' *[CTK]* 13
CSSD May Split Into Radical, Moderate Faction *[CTK]* 14
ODS Discusses Senate, Currency at Press Briefing *[HOSPODARSKE NOVINY 22 Jan]* 14
Minister Outlines His Ideas About Czech Army *[MLADA FRONTA DNES 25 Jan]* 14

SLOVAKIA

- EC Impartiality in Gabcikovo Dispute Questioned *[SLOVENSKY DENNIK 25 Jan]* 16
- Article Reviews Kovac Career, U.S. Ties *[SLOVENSKY DENNIK 23 Jan]* 16
- Czechs Criticized on Privatization Settlement *[NARODNA OBRODA 23 Jan]* 17
- Government Discusses Customs, Property Division *[CTK]* 18
- Meciar Says Laws Must Protect Slovak Interests *[CTK]* 18
- Meciar, HZDS Accused of Impoverishing Slovakia *[CTK]* 18
- Kovac, Ftacnik in Round 2 of Presidential Elections *[CTK]* 18
- Meciar's Candidate Loses in Mayoral Elections *[SLOVENSKY DENNIK 25 Jan]* 19
- SNS Sets Conditions To Support Kovac for President *[CTK]* 19
- Currency Split 'Urgent'; Money Should Be Deposited *[CTK]* 19

HUNGARY

- Estonian Prime Minister Visits *[MTI]* 20
- Spokesman Says Russian Policy Not To Change *[MTI]* 20
- Defense Ministry To Train Albanian Officers *[MTI]* 20
- MDF Conference Issues Political Statement *[PESTI HIRLAP 25 Jan]* 20
  - Antall Reviews Internal Conflicts *[PESTI HIRLAP 22 Jan]* 22
  - Csurka Views Congress *[MAGYAR HIRLAP 25 Jan]* 24
  - Editorial Assesses Congress *[NEPSZABADSAG 25 Jan]* 25

POLAND

- Commentary Says Clinton Taking on 'Difficult Legacy' *[TRYBUNA 21 Jan]* 27
- Lithuanians Ease Restrictions on Border Crossing *[PAP]* 27
- Rumor of Joint Maneuvers With U.S. Denied *[PAP]* 27
- Skubiszewski Pleased With Visit to Bucharest *[PAP]* 27
- Walesa Meets German Minority Representatives *[SERWIS INFORMACYJNY]* 27
- Conservative Leader Views Suchoka Government *[DZIENNIK BALTYCKI 18 Jan]* 28
- UP Ends Congress, Launches 'Political Offensive' *[PAP]* 29
- Ex-Prime Minister Warns of 'Communist Backslide' *[RZECZPOSPOLITA 25 Jan]* 29

ROMANIA

- Clinton Expected To Grant MFN Status to Romania *[ADEVARUL 20 Jan]* 30
- Relations With New U.S. Administration Viewed *[ROMPRES]* 30
- Yugoslav Barges Said To Leave Braila Illegally *[ROMPRES]* 30
  - Embargo Violations Discussed *[Bucharest Radio]* 31
- Melescanu, German Delegate Discuss Cooperation *[ROMPRES]* 31
- Poland's Skubiszewski Comments on Treaty; Departs *[ROMPRES]* 31
- Iliescu Meets With NATO Ambassadors *[ROMPRES]* 31
- Iliescu, Melescanu Meet With Dutch Defense Minister *[ROMPRES]* 32
  - Spiroiu Assesses Talks *[ROMPRES]* 32
  - Vacaroiu, Beek View Reform *[ROMPRES]* 32
- Spiroiu, Albania's Zhulali Discuss Cooperation *[Tirana Radio]* 32
- Melescanu, UDMR Discuss Ties With Hungary *[Bucharest Radio]* 33
- Parliament Decides on Council of Europe Delegation *[ROMPRES]* 33
- Mihai's Message on Union Anniversary Reported *[ROMANIA LIBERA 23-24 Jan]* 33
- Iliescu, Bank Executives Discuss State of Economy *[ROMPRES]* 33

BOSNIA-HERCEGOVINA

- Government Meets; Accuses Croats of 'Genocide' *[Sarajevo Radio]* 34
- Minister Views Muslim-Croatian Relations *[VECERNJI LIST (SFZ) 21 Jan]* 34
- Muslim-Croat Clashes in Sarajevo Suburbs Reported *[Belgrade Radio]* 36
- Serbs Regain Territory in Eastern Bosnia *[TANJUG]* 36
- Muslim Offensive on Croat Villages Leaves 17 Dead *[Zagreb Radio]* 37
- Russians Reportedly Helping Bosnian Serbs *[Sarajevo Radio]* 37
- Muslims Attack Croatian Part of Gornji Vakuf *[Zagreb Radio]* 37

Muslim 'Brutal Aggression' Reported [*Zagreb Radio*] ... 37
'Chetniks' Shell Sarajevo With Helicopters, Chemicals [*Sarajevo Radio*] ... 38
Shells 'Raining Down' [*Zagreb Radio*] ... 38
Serbian Air Force Denies Using Helicopters [*TANJUG*] ... 38
Serbs 'Forced' To Launch Counteroffensive [*Belgrade Radio*] ... 39
UN Refugee Commissioner Arrives in Sarajevo [*AFP*] ... 39
Army, HVO Hold Talks on Normalizing Relations [*Zagreb Radio*] ... 39

CROATIA

President Offers Conditional Withdrawal of Forces [*Zagreb Radio*] ... 40
Envoy at UN Says 'Limited Action' Complete [*Zagreb Radio*] ... 40
Tudjman, UN Forces Commander Discuss Resolution [*Zagreb Radio*] ... 40
Commander Says Maslenica Operation 'Limited' [*Milan IL GIORNALE 24 Jan*] ... 41
Serb Krajina President: Counteroffensive Ready [*TANJUG*] ... 41
Serb Krajina Government Cites UN Resolution [*TANJUG*] ... 42
Krajina Foreign Ministry Calls for Mobilization [*TANJUG*] ... 42
Serb Council Urges Serbian, Federal Intervention [*TANJUG*] ... 42
Serbs Allege Croatian Forces Fired at UN Troops [*TANJUG*] ... 43
Krajina Crossfire Traps French UN Soldiers [*AFP*] ... 43
Trapped Soldiers Being Evacuated [*AFP*] ... 43

YUGOSLAVIA

Federal

Cosic Says Croatia Waging 'Genocidal War' [*TANJUG*] ... 44
Cosic Letter to UN Appeals Against 'Aggression' [*TANJUG*] ... 44
Cosic Denies Agreement With Tudjman on Maslenica [*TANJUG*] ... 45
Foreign Minister Hails UN Resolution on Croatia [*TANJUG*] ... 45
Milan Panic Says Croatia 'Wrecked' Geneva Talks [*TANJUG*] ... 46
Federal Army Supporting Bosnian Serbs [*POLITIKA 26 Jan*] ... 46
Deputy Premier on Compliance With UN Conditions [*TANJUG*] ... 47
Deputy Premier Meets Serbian Krajina Minister [*TANJUG*] ... 48
War Crimes Commissioner Views Prospects of Trials [*AFP*] ... 48
Commentary Views Moscow's 'Change of Atmosphere' [*Belgrade TV*] ... 49
Micunovic on Outcome of Elections [*BORBA 30 Dec*] ... 49
Sanctions Blamed for 'Destroyed' Economy [*POLITIKA 23 Dec*] ... 50
Roundup of Sanctions' Impact on Economy [*EKONOMSKA POLITIKA 28 Dec*] ... 51
Details of Federal Budget Presented [*EKONOMSKA POLITIKA 21 Dec*] ... 53
Resavska Banka Director Interviewed [*EKONOMSKA POLITIKA 21 Dec*] ... 53
Activities of Private Firms Reviewed [*EKONOMSKA POLITIKA 21 Dec*] ... 56

Serbia

Jovanovic Discusses UN Resolution on Croatia [*Belgrade TV*] ... 58
Croatian Towns, Villages Said 'Cleansed' of Serbs [*TANJUG*] ... 58
Oil-Carrying Barges Enter Serbian Danube Waters [*AFP*] ... 59
Sandzak Leader on War Victory Option [*POLITIKA 23 Dec*] ... 59

Kosovo

Serbian Assembly Forcibly Takes Over Enterprises [*ATA*] ... 59

Macedonia

Gligorov Invites Greek Premier To Negotiate [*AFP*] ... 60
Gligorov Receives European Parliament Delegation [*Skopje Radio*] ... 60

Montenegro

Deputies Elected for Federal Chamber of Republics [*TANJUG*] ... 60

Bosnian Serb Militia Head Quits Peace Talks

AU2601183093 Paris AFP in English 1823 GMT 26 Jan 93

[Text] Geneva, Jan 26 (AFP)—The chief of Bosnia's Serbian militias suddenly quit peace talks here Tuesday [26 January] to return to his headquarters and his forces are ready to fight alongside Serbs in southwestern Croatia if Zagreb does not halt its offensive in the region, a Serbian representative said here.

Misa Milosevic, representing Serbs from the Krajina enclave in Croatia, said Bosnian Serb leader Radovan Karadzic had warned international negotiators that his followers would come to the aid of their ethnic allies in Croatia if the offensive was not halted as demanded by the U.N. Security Council.

He said Serb commander Ratko Mladic had rushed from the Geneva conference to return to his Bosnian headquarters in light of the fighting.

"We have signed a military assistance agreement" between the Bosian and Krajina Serbs and Karadzic announced that "if the Croats do not respect Security Council decisions, we will impose them," he said.

Bosnian Serbs Promise UN Time To End Fighting

AU2601203093 Paris AFP in English 2020 GMT 26 Jan 93

[Text] Geneva, Jan 26 (AFP)—Bosnian Serbs promised Tuesday [26 January] to give the United Nations time to end the fighting in Croatia before they intervene, while peace talks on Bosnia-Hercegovina got a needed boost with reports of progress.

Radovan Karadzic, leader of the Bosnian Serbs, said they had agreed to mediators' plans on interim governments for the capital Sarajevo and the surrounding area and said Moslem acceptance could end the siege there.

The Bosnia talks had lost steam because of Croat attacks on the Serb-held Krajina area of southern Croatia and conference officials feared the crisis could worsen if Bosnian or Belgrade Serbs stepped in.

Karadzic told reporters he had ordered his military chief Ratko Mladic to return home to prepare for possible assistance to the Krajina Serbs. But he pledged to hold off such action as long as possible.

"We have taken a political decision to help Serbs wherever they are," he said. "But we will restrain as long as we can to give the United Nations the opportunity to fullfill what they are obliged to do."

The Bosnian Serb leader also repeated his vow to stay at the talks as long as necessary despite the Croat offensive that has shattered a year-long ceasefire and been condemned by the U.N. Security Council.

Fred Eckhard, spokesman for the U.N.-European Community talks, said that "definite progress" was made after a rare joint meeting of Karadzic and Bosnian President Alija Izetbegovic with the mediators.

Karadzic said his side had accepted a plan put forth by Vance and Owen for a central coordinating body for Sarajevo to govern in the runup to adoption of a new constitution.

The Serbs also agreed to a Sarajevo municipal body that would have three representatives each from the Serb, Moslem and Croat communities. Serbs and Moslems would run the surrounding province on consensus, he said.

"It may end the war immediately in Sarajevo if it is accepted," Karadzic said, but he gave no further details.

But Izetbegovic showed no sign of agreeing to the proposals after his 80-minute meeting with Karadzic, the first time the two delegations have met alone with the co-chairmen since early this month.

"Only discussion, without any results," was his description of the talks with Karadzic which officials said focused on details of a provincial map for Bosnia as well as future governing structures for Sarajevo.

Eckhard had earlier said that if there was no movement by the weekend, Vance and Owen might have to take stock of what progress had been achieved and report back to the U.N. Security Council that they could go no further.

But later the spokesman was more upbeat. "Yesterday was not a good day. Today we made more progress than we expected."

Karadzic and Izetbegovic were scheduled to have another joint meeting with the co-chairmen Wednesday. Vance and Owen will earlier meet separately with the Bosnian president and Croat leader Mate Boban.

EC Panel Probes Reported Mass Rapes in Bosnia

'Sharply' Criticizes UN, EC Personnel

AU2601172293 Paris AFP in English 1710 GMT 26 Jan 93

[Text] Geneva, Jan 26 (AFP)—A European Community mission Tuesday [26 January] sharply criticised E.C. and United Nations personnel in Bosnia-Hercegovina for ignoring mass rapes, including systematic attacks on some 20,000 Moslem women.

The mission, which spent five days in the former Yugoslavia last week, said rapes of Moslem women were a tool of the Serbs' campaign of "ethnic cleansing" but stressed that Serbian and Croatian women were assaulted as well.

The team of five women had harsh words for E.C. officials and the Community's observers in Bosnia as well as U.N. personnel in the republic devastated by nine months of civil war.

A preliminary report written by mission member Anne-Marie Lizin said E.C. observers had not received any mandate to follow the rape question and took no initiative to investigate.

"They never saw anything, no rapes etc. Moreover (they said), 'It's normal with armies.' They never asked the least question, neither of the Serbs nor of the others on this subject," Lizin wrote.

The report said that Britain, which held the E.C. presidency the last six months of last year, was lax in carrying out the mandate given it on the rape issue by the Community's Edinburgh, Scotland, summit in December.

"No pressure was exerted to investigate on the Serbian side and stop the rapes which we can assume are still continuing," it said. "The request for an investigation was never transmitted."

The delegation, which followed up on an earlier E.C. mission in December, found that British and German embassies in Zagreb were cautious on the reports of rapes and only France took them seriously.

Lizin told a news conference here that U.N. forces, assigned to protect relief convoys in Bosnia also failed to monitor the rape situation and shared the attitude of soliders in the three warring armies.

"There is a deep feeling in the military that rape is not really a crime and that the women will get over it," she said.

Lizin reiterated the estimate of at least 20,000 Moslem women raped by Serbs in a systematic campaign "to humiliate a community and force it to flee." More might have been killed or were too ashamed to speak, she said.

The report quoted Bosnian relief officials as saying that more than 1,000 babies had been born as the result of the rapes and at least 900 pregnant Moslem women were being held by the Serbs.

But it added the Edinburgh summit's mandate on the rape of Moslem women was too restrictive and "we cannot accept not to speak about a phenomenon much larger and more complex: Croats and Serbs were raped in similar conditions."

The report called for urgent E.C. aid, primarily to set up an information network for raped women.

Bosnian Serb leader Radovan Karadzic, for his part, denied at the weekend reports of mass rapes of Moslem women and said there were only isolated incidents.

"If you knew our generals who are from the old-fashioned communist school, they are very strict about morality," he told reporters at the resumption of peace talks in Geneva.

Urges Rape Be Treated as War Crime

AU2201165693 Paris AFP in English 1634 GMT 22 Jan 93

[Text] Zagreb, Jan 22 (AFP)—A report commissioned by the European Community will for the first time call for rapes committed in time of war to be punished as war crimes, a member of an E.C. fact-finding mission to the former Yugoslavia said Friday [22 January].

Some 20,000 Moslem women have been raped since the outbreak of war in Bosnia-Hercegovina nine months ago, mostly in Serbian camps, Anne-Marie Lizin, a Belgian deputy and vice president of the Socialist International, told AFP.

The estimate is cited in a preliminary report the mission drew up late last month after a first trip to the former Yugoslavia and will be maintained in a final report that is to be submitted to E.C. foreign ministers on February 1.

The report will also estimate the number of abortions and illegitimate children resulting from rapes.

The Zagreb mosque has estimated the number of illegitimate children at 300, but twice as many had been aborted, Lizin said.

For its tally the mission not only took into consideration "women who talked after their release, but also those who will never talk, those who were killed and those who are still being detained."

"There are new rapes every day," Lizin said.

The delegation, headed by Anne Warburton of Britain, went on a first visit to the former Yugoslavia between December 18 and 24 and has heard more victims in hospitals, refugee centers and at the Zagreb mosque since its return to the Croatian capital Tuesday [19 January].

A December 11-12 European Community summit in Edinburgh had mandated Warburton to hold a probe into the reports of rapes in Bosnia-Hercegovina, where Serbs are fighting the central government for a separate state.

Warburton's mission also met with Croatian and international humanitarian organizations including Moslem women's groups and held talks Thursday [21 January] with Croatian Deputy Prime Minister Mate Granic.

Friday and Saturday [23 January] delegates will pursue their investigation, meeting refugees in the Moslem-held town of Zenica in central Bosnia where according to the U.N. High Commissioner for Refugees 20,000 displaced people have found refuge.

Lizin welcomed Thursday's report on widespread rapes in the former Yugoslavia by the human rights organization Amnesty International, which said Moslem girls and women were the main victims.

The Amnesty report did not give any estimate of numbers. But Lizin said the European Community mission thought it was possible and necessary to turn testimonies into figures.

At their February 1 meeting E.C. foreign ministers will hear that widespread rapes in Bosnia-Hercegovina are part of a "strategy and not isolated acts committed by militarized gangs."

The mission's report also calls for financial help from the E.C. for rape victims.

In Brussels, the E.C.'s foreign relations commissioner, Hans van den Broek, said he supported all concrete aid propositions to help the rape victims.

He said in a statement that the E.C. would also back all efforts to set up a court to judge those accused of organising ethnic cleansing in the former Yugoslavia, and committing war crimes or assaults on human dignity.

Foreign Ministry Official Meets EC Representative

AU2701061093 Tirana ATA in English 0913 GMT 24 Jan 93

[Text] Tirana, January 24 (ATA)—As it is already known, the memorandum of understanding between Albania and the European Community on observing the Albanian border with Serbia and Montenegro came to force on January 4, 1993. The vanguard of the mission has been currently acting here. It has been mainly engaged in the practical modalities of preparing the conditions for a full beginning.

Meanwhile, the chief of this mission, the British Diplomat Sheridan arrived in Albania. Our mission is duty bound to observe the situation and constantly keep informed the European political circles of its evolution, so that Brussels be able at any moment to adopt the necessary actions, the representative of the European Community said in his meeting with the head of Department of Multilateral Cooperation and of the International Organisations at the Ministry of Foreign Affairs, Mr. Dervish Dumi.

In this first political contact following the signing of the memorandum, Mr. Dumi said that it gives the relations of Albania with the European Community a new very significant dimension for the present situation in our region, that of security. He said that the Albanian Government will see that the mission successfully carries out its activity.

The representative of the European Community expressed satisfaction over the conditions they are provided with in Albania to exercise their activity and the belief that some still unsolved problems will soon find solution.

Pan-European Organization To Support Reform

AU2701061293 Tirana ATA in English 1112 GMT 24 Jan 93

[Text] Tirana, January 24 (ATA)—Upon the initiative of the President of the Republic Sali Berisha and the Secretary General of the Council of Europe Lalumiere, the Council of Europe, a pan-European organisation specialised in democratic reforms, has undertaken a specific support for Albania.

Conscious of the shortcomings in the Albanian law system and the relative backwardness of the legal reform, the Ministry of Foreign Affairs, in cooperation with the Ministry of Justice, worked out during September 1992 a work platform to ensure a greater support from the Council of Europe. It is about the democratic reforms, especially in the law and human rights field. The objective of the initiative is to attract international support in three main directions: aid for the conceptual aspect of the law reform, technical assistance to draft the necessary legislation and for the working out of a plan to prepare the qualification of jurists.

In this context the task force mission arrived in Albania for six months. It immediately got down to work first contacting the representatives of the institutions. The first member of this mission, Nocola Levra, is accompanied by the pan-European advisor on programmes of cooperation, Spevpaih [as received], envoy of Mrs. Lalumiere, Jean Louis Lora.

The beginning of the activity of this mission provides an international qualified aid for a very important field of the democratic reforms: justice, legislation, including here the drafting of the constitution, human rights. This is an aid applied for the first time by the Council of Europe.

Council of Ministers Approves Amendments to Laws

AU2701060393 Tirana ATA in English 0913 GMT 26 Jan 93

[Text] Tirana, January 26 (ATA)—The meeting of the Council of Ministers held on January 25 was chaired by Premier Aleksander Meksi. The meeting concentrated on the amendments on the packet of laws to be submitted to the parliament.

The government focused on the Law on Levies on Goods Turnover, Excises, Profit, and Customs' Duties. Medicaments and medical equipment as well as machines and equipment utilised in the construction of different projects are exempt from customs duties.

Currently the workers who remain unemployed due to the application of the reform are supported to get a job. But there might be cases when some families remain without income. According to the draft decision endorsed by the Council of Ministers, this category of people will profit special funds provided by the government. The Council of Ministers also changed the previous decision on the payment to the unemployed by the state labour administration. The new draft decision creates favourable conditions to perform this service.

The agenda of the meeting included also the approval of the draft decision concerning the second stage of state budget expenditure for eliminating the aftermath in the flood affected areas. According to this draft decision, by means of the special fund in case of natural calamities, the state budget will meet the expenditure for sowing again the areas planted to wheat in value of 32.7 million leks, will utilize a 245 million leks fund to put into operation the pumping stations and dams. The state budget will also allocate 78 million leks to put into operation the copper industry and 40 million leks on the electric network and hydropower stations. The state budget will allocate a fund in value of 3.4 million leks to cope with the expenditure for delivering food aid.

The approval of the agreement between Dorkas Aid International, Netherlands, and the Albanian Government will create the necessary conditions for this Christian charity organization centered in Netherlands to make investments, to build bread factories, to contribute to medical area, to ensure the seeds for the Albanian farmers, etc.

Environmental Protection Plan Drafted

AU2601174693 Tirana ATA in English 1116 GMT 26 Jan 93

[Text] Tirana, January 26 (ATA)—The Committee for the Environmental Protection and the World Bank have recently undertaken a study on the strategy of the environmental protection in Albania. One of the main objectives is the compilation of a national plan for the protection of environment.

This is the first study made in this field, which aims to give a general panorama of all the questions of environment in Albania. Although degradation of environment is not as serious as in other countries of East and Central Europe, still there are problems such as the discharge of industrial waters, land erosion, the lack and pollution of the drinking water, local pollution of the air, water, and land, etc.

The first stage of this study is over and the second one is in the process. The results of the first stage show of the great importance of these questions, whose solution indispensably demands a new legislation on environment.

Assembly Groups Discuss Bills on Private Property

AU2601185093 Tirana ATA in English 1107 GMT 26 Jan 93

[Text] Tirana, January 26 (ATA)—On January 25, the People's Assembly continued its proceedings in parliamentary groups and commissions. This was done because many draft laws were not yet reviewed.

The deputies of different parliamentary groups, the Laws Commission, and the Economic and Financial Commission examined some draft laws and amendments related to the protection of private property, the state pastures, etc.

The People's Assembly will continue its proceedings till January 26 before noon.

Muco Meets With Kosovo Trade Union Leaders

AU2601110093 Tirana ATA in English 0925 GMT 26 Jan 93

[Text] Tirana, January 26 (ATA)—On January 25, Kastriot Muco, chairman of Albanian trade unions confederation, had a working meeting with members of the executive committee of the union of the independent trade unions of Kosovo, Mereme Shema and other members of the delegation.

The talk focused on the all round hardships of the trade unions of Kosovo and the aid and possible cooperation of these two trade unions for the future.

Bulgize Mine Workers Continue Working 'Normally'

AU2601185793 Tirana ATA in English 1118 GMT 26 Jan 93

[Text] Tirana, January 26 (ATA)—The miners of Bulqize Chrome Mine keep working normally. They are sure that they can satisfy their needs only on their work and the application of the reform.

The ministry launched the economic reform by joining the northern mine with the chrome upgrading factory and southern mines. This encouraged the free initiative, the scientific thinking for running the production, and reduced the administration staff. Currently there are only two administrators in the No. 2 sector of the northern mine as compared to 60 working people and technical staff that worked previously. Since January 6 this sector extracted 150-200 tons of high quality chrome. On January 25 alone there were extracted around 300 tons of chrome. The target of this sector to extract about 105 thousand tons of chrome will be fulfilled and overfulfilled.

Cabinet Group Discusses Economic Reform Measures

AU2701060693 Tirana ATA in English 0903 GMT 25 Jan 93

[Text] Tirana, January 25 (ATA)—Under the chairmanship of the Premier Meksi, the group of coordination of the economic policy convened on January 24. Attending was also the chairman of the mission of the International Monetary Fund, Mr. Rolauer, who has recently come to Albania.

The meeting concentrated on the package of measures of the economic reform in the context of the incomes and expenditure of the state budget for 1993. These measures are intended to keep inflation under control and to lower the budget deficit.

After discussions they agreed on the main parameters of the state budget for 1993 to be presented for approval in the next meeting of the Council of Ministers.

Two Banks Merge To Form National Trade Bank

AU2701145793 Tirana ATA in English 0918 GMT 27 Jan 93

[Text] Tirana, January 27 (ATA)—ATA's reporter learned at the governor's cabinet of the Albanian Bank that the National Trade Bank of Albania has been created through the joining of the two existing banks: the National Bank of Albania and the Trade Bank of Albania.

Since January 1, the new bank has begun to carry out various bank actions for all the fields: industry, construction, communication, agriculture, trade, and other services. It extends its activity all over the country, through its branches in 37 districts.

The National Trade Bank of Albania is a partner of two foreign banks, Banca di Roma and Arab Islamic Bank, with which its has reached separate agreements to create two joint banks, the Italian-Albanian Bank and the Arab-Albanian-Islamic Bank.

Mr. Ardian Xhyheri is director general of the Albanian National Trade Bank.

Meksi Urges Reform at PD Council Meeting

AU2701060493 Tirana ATA in English 0925 GMT 26 Jan 93

[Text] Tirana, January 26 (ATA)—In his address at the National Council of the Democratic Party [PD], Premier Aleksander Meksi said: Currently we are involved to carry out the administrative reform and establish the administrative structure and dismiss those who oppose the reform. Mr. Meksi raised the need of training new administrators, as many new work places call for specialists trained inside and outside the country.

Premier Meksi said that the reform will also go on at the Academy of Sciences and the institutions under its dependance. The government is also drafting rules for scientific qualification and the granting of scientific degrees.

The government, Mr. Meksi said, after working for the economic stabilization of the country, is now concluding the drafting of the economic and social programme for 1993. On behalf of the democratic government Mr. Meksi called on the trade unions to attain a consensus for the application of the economic reform.

The Albanian premier, speaking of the acceleration of privatization, said that 400 state enterprises expect to be privatized and the others will be ready after 2-3 weeks. He pointed to the fact that the democratic government is able to carry the democratic reform to the end.

Zhulali, French Delegation Assess Relations

AU2301204793 Tirana Radio Tirana Network in Albanian 1430 GMT 23 Jan 93

[Text] In a special meeting held this morning at the Office of Strategic Issues, Defense Minister Safet Zhulali received the military delegation from the French National Defense Ministry, led by Colonel Christian Howd. Our defense minister assessed this first visit by the French military delegation to our country and familiarized the delegation with the work that is being done to reform and further strengthen our Army. Mr. Zhulali also pointed out Albania's desire to establish relations and cooperation with France and the two defense ministers of both countries. Meanwhile, he stressed our Army's need for assistance with restructuring.

The meeting focused on the situation in the region. Our defense minister answered many questions, stressing the fact that Albania favors dialogue and a peaceful solution to the conflict in former Yugoslavia.

The French side pointed out that France is interested in the situation in the region, and that the will of the French Government is to stop conflicts through peaceful means.

The meeting passed in an atmosphere of understanding. Both sides praised the desire for cooperation between our both countries and armies.

Lieutenant General Ilia Vasho, chief of the Army General Staff; Mayor General Baki Shehi, deputy defense minister; and other officers were present at the reception. Mr. Jacques Fores, French ambassador in Tirana, was also present.

Vasho Meets NATO Defense College Commander

AU2601200193 Tirana ATA in English 0921 GMT 26 Jan 93

[Text] Tirana, January 26 (ATA)—On January 25, General Lieutenant Ilia Vasho, chief of the General Staff, received at the General Staff Headquarters General Lieutenant Manuel De Abeu Castelo Branco, general commander of the NATO Defence College, on a friendly visit to Albania.

Ilia Vasho briefed the host on the work done for the reformation and restructuring of the Albanian Army under the conditions of a democratic society according to the advanced European models.

The commander of this institution of NATO explained special aspects of training higher cadres at this college, concentrating on the permanent readiness of the Army to maintain peace and prevent conflicts.

Number of Persons Not Being Assisted Increasing

AU2501124893 Tirana ZERI I POPULLIT in Albanian 14 Jan 93 p 1

[Report by A. Ashiku: "Some 1,467 Persons Thrown in the Highway"]

[Text] The number of employees who have been relegated to social assistance in Diber District amounts to 6,500 persons. This number is large compared to the economic poverty and the sources of income at this province forgotten in the past, but it is still forgotten even today. Meanwhile, the number of people thrown completely into the street keeps increasing.

In the first days of January 1993, some 1,467 people, men and women, mostly heads of families with children to feed and bring up, were informed that they could no more receive social assistance.

At the same time, new lists are being compiled, and those people would be obliged to go into the street, being left with no job and no source of income.

Lawyer Says Hoxha 'Did Not Wish To Rob' State

AU2601212393 Paris AFP in English 1134 GMT 26 Jan 93

[Text] Tirana, Jan 26 (AFP)—The lawyer defending Nexhmije Hoxha on corruption charges Tuesday [26 January] said she "did not wish to rob" the old communist Albania, led by her husband for more than four decades.

"Nexhmije Hoxha did not wish to rob the state and was only the beneficiary of treatment decided by the party," lawyer Dhimiter Beshiri said.

"I never lived in luxury," the defendant said, after Beshiri entered her plea of not guilty.

The prosecution last Thursday [21 January] sought a 14-year prison term for the widow for stealing public funds, corruption and abuse of power, and nine years for her codefendant, Kino Buxheli, who was responsible for the communist leaders' personal needs.

Hoxha denounced the "political trial" that she said was aimed at "discrediting the Hoxha family," but said: "I'm awaiting my sentencing calmly, whatever it may be," adding: "To sentence a 72-year-old woman to jail is the same as sentencing her to death."

During communist rule, which collapsed in 1990, "the decisions of the party had the force of law," Beshiri said, asking for Hoxha's full acquittal.

The court should "take into consideration the times" and the woman's "ignorance" of the abnormal or dishonest nature of the treatment she received, he said.

The trial court was adjourned Tuesday and was to resume Wednesday afternoon for the verdict to be pronounced, court sources said.

Liable to sentences of from eight years in prison to death, the two codefendants both pleaded not guilty.

Buxheli, 39, said Tuesday: "I was just an employee. I did my duty honestly."

Enver Hoxha was the founder of communist Albania, which he led from the 1946 until his death in 1985 at age 75. His widow's trial is the first of a former member of the inner circle since the fall of communism in Albania last March.

In his indictment, prosecutor Teodor Mosko asked that Hoxha pay back $76,000 spent on her family between 1986 and 1990 by the department directed by Buxheli. The sum is worth 300 times the average annual salary in Albania, Europe's poorest country.

Several former top communist officials have testified at the trial, including Enver Hoxha's former right-hand man, Ramiz Alia, 66, who headed the Albanian Communist Party and is now under forced residence here awaiting trial himself.

Final Defense Efforts Made

AU2701105293 Tirana Radio Tirana Network in Albanian 1430 GMT 26 Jan 93

[Report by Rezear Xhaxhiu]

[Text] The trial session of the defendant Nexhmije Hoxha opened this morning with a speech by her defense counsel. This session was devoted completely to her defense.

In his speech, which lasted 45 minutes, the counsel Dhimiter Beshiri pointed out the main problems in, as he describes it, the unjust accusation of the defendant Nexhmije Hoxha. Beshiri said that this criminal process has its own character, deriving from the nature of the criminal act and that of the substance of the indictment held by prosecutor Mosko. This indictment states that as the defendant was Enver Hoxha's widow and had played an active role after his death, she had continued to live a life of great luxury and expense. Beshiri said later that this conclusion given by the prosecutor is not fair because it is not based on evidence presented during the investigation. He then stressed some main categories of expenses incurred by the defendant, which the indictment referred to, analyzing each of them and interpreting them in the favor of the defendant.

At the end of his speech, the counsel said that this trial had been held fairly and in conformity with legal procedures. I express my conviction that the court will give a fair verdict based on its conscientious and unprejudiced judgment.

After a short break, the defendant Nexhmije Hoxha took the floor. She requested that some political problems related to her arrest and judgment be dealt with, but this was considered out of place by the chairman of the judicial body, Mr. Muharrem Kushe. He told the defendant that she could only discuss the charge against her for the wide scale abuse of state property.

In continuation, Mr. Perparim Sanxhaku, counsel for the defense of Kino Buxheli, took the floor. He tried to prove that the indictment and the summation were not the result of a realistic judgment of the evidence, but of the inclination to find Kino Buxheli guilty. He then dealt with some special aspects of the indictment, underlining that during all his activity as director of the Reception Directorate, the defendant had not engaged in any new activity that would testify to the abuses he is accused of.

In his short speech, the defendant Kino Buxheli said: "In the whole of my activity I have worked honestly and have never acted out of personal interest or profit. I have performed my work within the bounds of the rights and responsibilities that were set out in the functions of my position. That is why I express my conviction that the judicial body, being the only body authorized to make proper assessments, will solve this case fairly."

At the end, the chairman of the judicial body informed those present that the verdict would be proclaimed at 1400 tomorrow.

Hoxha Sentenced to 9 Years

AU2701134493 Paris AFP in English 1342 GMT 27 Jan 93

[Text] Tirana, Jan 27 (AFP)—Nexhmije Hoxha, the 72-year-old widow of former Albanian communist ruler Enver Hoxha, was sentenced Wednesday [27 January] to nine years in prison for "squandering public funds," the court president said.

Hoxha's trial was the first of any former member of the Albanian communist leadership since the fall of communism in Albania last March.

Enver Hoxha headed the Albanian communist party from the early 1940's until his death in 1985.

Zhelev Congratulates Havel on Election Victory

AU2701154793 Sofia BTA in English 1531 GMT 27 Jan 93

[Text] Sofia, January 27 (BTA)—Bulgarian President Zhelyu Zhelev cabled congratulations to Mr. Vaclav Havel on his election as president of the Czech Republic. In the cable, Dr. Zhelev expresses his confidence that the two presidents would join their efforts and contribute to the promotion of Bulgarian-Czech relations in the spirit of democratic changes in the two sovereign countries and for the benefit of the bright future and traditional friendship between the two peoples.

More Serbian Ships Refuse Customs Inspections

AU2601191893 Sofia BTA in English 1838 GMT 26 Jan 93

[Excerpts] Vidin, January 26 (BTA)—The Serbian tugboat Bihac with six tanker barges, carrying 6,000 tonnes of diesel fuel, sailed past the port of Vidin at 1215 hours today and is already in Serbian territorial waters, according to experts. [passage omitted]

The State Shipping Inspectorate in Ruse reported that the tugboat Orasat was seen near the village of Pirgovo on the Danube (20 km upstream from Ruse) at 0900 AM. It was located near Svishtov in the afternoon, the BTA correspondent in Ruse reports.

The tugboat Delifit with ten barges passed near Ruse at 1215 hours today. The competent authorities, shipping inspectors, customs officers, and UN monitors, tried to stop the boat. A patrol boat followed it for three kilometres. The crew did not respond to signals and sailed upstream, the State Shipping Inspectorate reported.

According to the latest information, the third tugboat sailing under the Serb flag, the Kaimakcalan, at 0700 hours was anchored 100 km downstream from Ruse. The state shipping inspectors on duty think it will probably wait until night to pass along Ruse.

Government Sends Note to UN

AU2701145093 Sofia BTA in English 1438 GMT 27 Jan 93

[Text] Sofia, January 27 (BTA)—Bulgaria has sent a note to the Sanctions Committee at the UN Security Council, categorically protesting the refusal of the Serbian barge convoys to obey the orders to stop and enable the inspecting Bulgarian authorities to check their cargo. In this way, the Bulgarian authorities were prevented from performing their duties arising from the UN Security Council resolutions on an international embargo against Serbia along the River Danube, the Bulgarian Government spokesman said.

There is yet another reason for which Bulgaria was unable to perform its international obligations: The Serbian barge convoys are sailing in the main river channel, in which, under the convention concerning the regime of navigation on the Danube, no country's coast guard has the right to stop transiting vessels.

The Serbian convoys problem is the subject of consultations at high diplomatic level between Bulgaria and Romania, the government spokesman said.

Foreign Ministry Statement

AU2701154093 Sofia BTA in English 1524 GMT 27 Jan 93

[Text] Sofia, January 27 (BTA)—In connection with the passage of a Serbian barge convoy pushed by the tugboat Bihac across the Bulgarian-Romanian section of the River Danube, the Press Centre of the Bulgarian Ministry of Foreign Affairs reported that immediately after the entry of the Bihac in the Romanian-Bulgarian section, the Bulgarian border authorities and the State Shipping Inspectorate made repeated but futile attempts to establish radio communications in order to check the documents, the cargo and the destination of the ship.

On January 23 the Bulgarian Foreign Ministry requested an emergency meeting of the UN Sanctions Committee in New York in connection with the incident. The committee met on the following day. Bulgaria's permanent mission to the United Nations and the Ministry of Foreign Affairs in Sofia has not yet received a written resolution of the committee. On January 23, Bulgaria notified the EC observer mission along its border with the former Yugoslavia and the mission of CSCE experts assisting the enforcement of the UN sanctions.

As the Bihac was sailing in the shared section of the river, representatives of the Bulgarian border guards met on their initiative with their Romanian counterparts from Calafat in Vidin on January 25. Romania said it had no resources and capabilities for a possible joint operation, including the use of force.

Through diplomatic channels, Bulgaria emphasized to Serbia its serious concern over the provocative behaviour of the skipper of the Serbian ship and expressed the hope that he will be prevailed upon to obey the orders of the Bulgarian authorities.

The Bihac incident came as further unmistakable proof that the international community should attach priority attention to the problem concerning the responsibility of those who act in open defiance of the sanctions, the Foreign Ministry Press Centre said in its press release.

For the prevention of such incidents, it is of decisive importance to achieve close cooperation between the competent Bulgarian and Romanian authorities, the Bulgarian Foreign Ministry believes and once again calls for the deployment of international missions to monitor compliance with the sanctions in all ports on the lower Danube. The ministry stresses the urgent need for substantial technical assistance to the border and customs control authorities in Bulgaria and Romania for the enforcement of the sanctions.

Prime Minister Opposes Intervention in Bosnia

PM2601124693 Paris LE FIGARO in French 20 Jan 93 p 4

[Interview with Bulgarian Prime Minister Luben Berov by Arielle Thedrel in Paris; date not given]

[Text] [Thedrel] Are you in favor of a Western military intervention in Bosnia-Hercegovina?

[Berov] I am convinced that a Western military intervention would not solve anything. It would merely serve to create new problems. I am convinced that there will not be any intervention in the coming weeks. It is a game of poker which is being played, they are bluffing to secure a compromise from the Serbs.

[Thedrel] But this compromise is slow in coming. Is there not reason to fear an extension of the conflict to the autonomous province of Kosovo, where 90 percent of the population are Albanians?

[Berov] It would not be appropriate to create an independent state in Kosovo. For military, and also economic reasons, this state, which is very small, could not have real independence in this part of the world. It would be preferable to give it very broad autonomy. And, of course, we must prevent the development of ethnic tensions, knowing that they are very easy to create in this region.

[Thedrel] Tensions are also threatening the Republic of Macedonia....

[Berov] It seems to me that Macedonia is a more complex problem because this republic is not homogeneous in the ethnic sphere. It contains Bulgarians, Albanians, and Serbs... but it is a state. Two questions are raised in the short term: First, its name. (Greece is demanding that the name Macedonia be reserved for its own province—LE FIGARO editor's note) This is a question of form, used by some states to conceal their internal problems. And it is a matter for the Macedonian people.

The second point is that we are preparing to sign a joint statement with the Greeks, Turks, and Romanians in which we reject the idea of a division of Macedonia into three parts—or four if you count Albania. That should contribute to peace in the Balkans.

[Thedrel] Will that be sufficient?

[Berov] According to reports that have reached me, if there is a Western military intervention in Bosnia-Hercegovina, the Serbian military command plans to lauch preventive attacks on the countries bordering on Serbia, excluding Romania and Greece. That leaves Bulgaria and Albania. These reports may be inaccurate, but, at all events, this is what is being said. The Serbs are in a state of extreme chauvinism and nationalism. They are ready to fight. But I think in the end they will be reasonable and we will reach a compromise.

[Thedrel] Is the embargo decreed by the United Nations against Serbia finally being applied in your country.

[Berov] Yes, it is functioning, but it is costing us dearly. According to our estimates, it amounts to $1 billion. We have asked for compensation but, frankly, I do not think we will get it.

[Thedrel] Bulgaria, whose economy was most closely integrated into CEMA, has sunk into recession. What are the main problems you are encountering?

[Berov] We have lost our most important market—the Soviet, or, if you prefer, the Russian market. Russia is passing through a chaotic period, which makes normal commercial activities very difficult. The second point is the change of system. At present we are at the worst point of the crisis. I foresee a recovery in the second half of the year, but a very slight recovery. As you see, I am a very very cautious optimist.

ASO Chairman Views New BSP Political Role

AU2701122593 Sofia DUMA in Bulgarian 22 Jan 93 p 7

[Interview with Valentin Vatsev, chairman of the Alternative Socialist Association, ASO, by Mila Manova; place and date not given: "The Bulgarian Socialist Party [BSP] Beyond the Limits of the Current Situation"]

[Excerpts] [Manova] How does the newspaper version of the Bulgarian Socialist Party's [BSP] omnipresent strategy, with calculated "coups" planned two or three steps in advance, sound to you? Is the new political landscape a result of such tactics?

[Vatsev] As former Prime Minister Filip Dimitrov liked to say, there is no serious evidence for this. In my opinion, Aleksandur Lilov, to whom such activities are attributed, should establish a scholarship in the name of some political scientist or journalist in order to send some clever young Bulgarians abroad to study political strategy. Bulgarian politics, in general, lacks any kind of stragegy. Among other things, strategy means to view the present situation from the position of the future. It means planning on a long-term basis. Bulgarian politicians are far from working on a long-term basis, on the basis of given models and patterns. The BSP is not the only party without a plan. At least it had the justification of struggling for its survival. Alas, Bulgarian politics is not tormented by theoretical struggles but by savage, almost animal-like, political interests and personal passions. Under such circumstances, whoever shows some common sense is glorified as a strategic genius, as the case of Ahmed Dogan shows. [passage omitted]

[Manova] Do your statements apply to the BSP in full?

[Vatsev] The Socialist Party happened to make some correct moves by pure chance. Nevertheless, the disastrous state of affairs prevailing in the other political parties, which could not affect the Socialists to such a great extent, should be no reason for rejoicing. [passage omitted]

[Manova] To put it briefly, would you care to say that the BSP is not responsible for its present situation, but seems to have accomplished some progress, albeit under somewhat unusual circumstances?

[Vatsev] As a matter of fact, the current situation is really unusual. The BSP supported a government based on the mandate of the Rights and Freedoms Movement [DPS] and composed of people who are closely associated with the president of the republic. In my opinion, the BSP has a share of power. This is a subject on which Santiago Carillo used to elaborate in his articles on eurocommunism. Our situation is similar to that of the Italian Communists since 1948. They have never been in power, but nothing can happen in Italian politics without their blessing.

The BSP is part of the power structure and this a totally new phenomenon, not only for the BSP but also for our state. This is the moment to find out whether a reasonable and responsible political elite really exists in our party. The most recent BSP plenums are finally becoming similar to working sessions, and reached relatively correct decisions. This businesslike spirit seems to be mechanically produced, stemming from the clash between two sharp stones—namely the so-called hardliners and the so-called Alliance for Social Democracy [OSD] group. In the long run, some sort of common position, which crystallizes after the exchange of extremely opposing views, is reached. Modern political tactics precisely requires this kind of behavior, which the BSP is slowly acquiring. How did we adopt the decision on the Berov government? One opinion offered said: No, we should never accept it. The other argument was: Yes, we should approve it by all means. After innumerable debates, a flexible and simple logical solution was reached. In this case, we can compare the BSP to a bank which is asked to grant some credit. The BSP, like the bank, agrees to grant the credit, but it must know the purpose of the credit, on what kind of project the money will be spent, whether the partner is solvent, and everything about the conditions, rate of interest, and the relevant guarantees. To put it briefly, the BSP is slowly but decisively maturing, judging from the recent situations and the party's reaction to them, as well as from its constructive policy and the sense of responsibility it has shown.

[Manova] All right, the credit has been granted. You are awaiting the payment of interest. What is the BSP planning to do in the future?

[Vatsev] This is a great problem. All the rest is emotion. Those who were firmly supporting the idea of Berov's government very strongly exploited the president's centrist-liberal ideology. Nevertheless, there is something beyond the horizon of the present situation. The political era of the SDS extremist group, which entered the political scene with sit-in strikes and street demonstrations, ended with the no-confidence vote on Filip Dimitrov's cabinet. The president is now living with the idea of reviving a real SDS. As far as the BSP is concerned, it cannot be indifferent as to who his opponents will be. The same applies to society. It is not clear whether the president's wishes are likely to come true. By adopting the decision on supporting Berov, the BSP avoided the possibility of becoming a mere appendix to the centrist bloc, the presidency, or to some similar policy of an eventual rightist-liberal alliance. It is embarrassing to observe that those belonging to the "opposite camp" are still in the stage of "anticommunism with a human face." This is at least how we understand the remarks by the president and other people. It means that they have still not reached the stage of liberal thought and political culture. Under all circumsances, however, it appears that the BSP, for the first time in its history, acted with strategic skill—seeing beyond the limits of the current situation. Today the BSP is much closer to the left-center position than any of the other parties—the rightists and the liberals are to their own centers.

The Socialists are supporting centrist development and behavior in the future. It is too early to say whether such support is likely to bring any profit.

Parliamentary Group Expels Michkovski, Ludzhev

AU2601211193 Sofia Khristo Botev Radio Network in Bulgarian 2030 GMT 26 Jan 93

[Text] The parliamentary group of the SDS [Union of Democratic Forces] today expelled Deputies Asen Michkovski and Dimitur Ludzhev, with 59 and 58 votes respectively being cast against them. According to the amendment to the regulations of the parliamentary group, the minimum number of votes required for expulsion is 55 votes.

The other SDS deputies who supported the Lyuben Berov cabinet were not removed because of failure to gather the necessary number of votes for their expulsion. This became clear when the SDS parliamentary group announced the results of the secret ballot.

Yanko Kozhukharov was the third deputy expelled from the SDS parliamentary group, with over 90 votes cast against him. He was accused of disgracing the image and name of the SDS parliamentary group.

World Bank Official on New Loan Aid

AU2601145093 Sofia BTA in English 1256 GMT 26 Jan 93

[Text] Sofia, January 26 (BTA)—Bulgaria has been granted two effective loans by the World Bank—a structural adjustment loan (SAL) of 250 million dollars and a technical assistance loan (TAL) of 17 million dollars. These are the two loans set in motion though the second SAL tranche has not been provided yet, Mr. John Wilton, resident representative of the World Bank to

Bulgaria, says in an interview for today's PARI. A mission of the World Bank arrives on a visit to Sofia today.

In an interview for the 168 CHASA weekly published today, Mr. John Wilton says that after the talks of the new cabinet headed by Prof. Lyuben Berov with the International Monetary Fund he is encouraged by the fact that the cabinet lays stress on the structural reform giving it priority in its programme.

Mr. Wilton points out in 168 CHASA that the political crisis in Bulgaria delayed a number of important decisions. The World Bank will be in Bulgaria for a long time and it will work with many cabinets, he says.

In connection with the visit of the World Bank mission, Mr. Wilton informs that the Bank has been considering the granting of a loan to provide private investors with money and finance exports. The amount of the loan has not been specified yet as the requirement for export credits and investment should be studied first.

The bank's energy project has reached the most advanced stage. The negotiations on it were completed in January. The projects is for 93 million dollars and comprises three components—improving the control system of the National Electricity Company (NEC), completing the Chaira Pumped Storage Power Station, and raising NEC efficiency in the sphere of accounting and management. The loan is to be approved by the World Bank directorate and the Bulgarian parliament.

The bank has yet another project—for financing telecommunications to the amount of about 30 million dollars. Most of the work on it has been completed, the final negotiations are to be held soon.

There is yet another investment project in the field of water supply and water treatment which, as Mr. Wilton says for PARI, the World Bank hopes to finance. It is a large project and the loan for financing it will exceed 100 million dollars, the work on it has made considerable progress, Mr. Wilton says in the interview for PARI.

The World Bank mission did not come to Bulgaria in November last year to discuss a loan for the restructuring of the financial and the production sector because of the political crisis. The project for financing private investment and exports, which the World Bank mission is going to discuss now, is part of that loan.

Charges of Interference With Judiciary Rejected

AU2701060193 Sofia BTA in English 2051 GMT 26 Jan 93

[Report by Iva Toncheva]

[Text] Sofia, January 26 (BTA)—At a sitting today the Supreme Judicial Council (a supreme judiciary body, which rules on cases involving judges, prosecutors and examining magistrates) discussed statements in the press by Director of the National Investigative Service Ani Kruleva. In a series of interviews, most of them for newspapers run by the 168 Chasa Press Group (close to First Private Bank), Ms. Kruleva charged the judiciary with acting contrary to law. She also accused the ousted cabinet of the Union of Democratic Forces (SDS) and former Prime Minister Filip Dimitrov of intervening with the judiciary.

The Supreme Judicial Council today ruled only on statements concerning the council itself and individual members. By thirteen votes (with two members voting against and two abstaining) the council ruled that Ms. Kruleva's charges were unsubstantiated and inconsistent with the council's rules of operation and professional ethics. The council believes such actions are inadmissible. According to operative legislation, however, the council cannot replace the National Investigative Service boss, who is appointed by a presidential decree.

"The Supreme Judicial Council is dominated by persons, who, in a trial, would not think of whether an act is a crime or not, but, out of fear for their own safety, would fulfill any order by a political force," Ms. Kruleva said in an interview a week ago.

In an televised interview, Prosecutor General Ivan Tatarchev denied the charges and expressed disappointment with Ms. Kruleva's statements.

In a statement for DUMA, the daily of the Socialist, ex-Communist, Party, Ms. Kruleva says she would not stop meeting with the press. She sees a public dispute with Prosecutor General Ivan Tatarchev as a way out of the situation. The Socialist Party often charges that Mr. Tatarchev has been fulfilling political assignments by the SDS, which he always denies.

Ms. Kruleva said in interviews that while the cabinet of the Union of Democratic Forces was in power, Interior Ministry services were used in breach of the law for surveillance and eavesdropping on politicians and trade union leaders. Besides Ms. Kruleva's statements, there were allegations that the SDS government tried to revive the political police, which existed under the communist regime. Ms. Kruleva's statements were denied by Filip Dimitrov, who headed the SDS government, former Interior Minister Yordan Sokolov, and General Bogomil Bonev, recently dismissed from the post of chief secretary of the Interior Ministry.

According to Ani Kruleva, Stoyan Ganev, foreign minister in the SDS cabinet, Ahmed Dogan, leader of the ethnic Turks' Movement for Rights and Freedoms (DPS), other senior members of the DPS, and trade union leaders were kept under surveillance.

Ms. Kruleva's statements were followed by interviews with former chiefs of the Interior Ministry and of services with the ministry. In an interview for KONTINENT late last week General Bogomil Bonev charged that General Brigo Asparukhov, chief of the external intelligence, made up three "politically discrediting materials" in 1992, which led to the fall of the Filip Dimitrov cabinet from power.

OTECHESTVEN VESTNIK and KONTINENT analysed the inconsistencies in Ms. Kruleva's statements. It is difficult to judge which of the sides to the dispute is right because they often quote information from investigative proceedings, which is for official use only, and sometimes avoid direct statements, saying the truth will eventually come out.

Security Council Examines 'Urgent' Army Issues

AU2701082093 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 26 Jan 92

[Text] We have just received the following news from the Presidency:

The National Security Council has just concluded a conference called by President of the Republic Zhelyu Zhelev. The participants in the conference included Prime Minister Professor Lyuben Berov, Deputy Prime Ministers Valentin Karabashev and Neycho Neev, Defense Minister Valentin Aleksandrov, General Stoyan Andreev, Chief of the Bulgarian Army General Staff Lyuben Petrov, General Stefan Dimitrov, and two deputy defense ministers.

According to our reporter Diana Yankulova, the conference discussed certain urgent issues relating to the Bulgarian Army and the possibilities for satisfying the needs of Army personnel.

Defense Minister Meets Turkish Commander

TA2601172193 Ankara TRT Television Network in Turkish 1600 GMT 26 Jan 93

[Text] Turkish Ground Forces Commander General Muhittin Fisunoglu, who is on an official visit to Bulgaria, met with Bulgarian Defense Minister Valentin Aleksandrov. It was announced that an exchange of ideas on the structural changes in the Turkish and Bulgarian Armies was held at the meeting. Gen. Fisunoglu will be returning to Turkey on 28 January after inspecting Bulgarian Army units in the cities of Plovdiv and Veliko Turnuvo.

Meets Bundeswehr Delegation

AU2601193993 Sofia BTA in English 1834 GMT 26 Jan 93

[Text] Sofia, January 26 (BTA)—Defence Minister Valentin Aleksandrov today received a delegation of the Bundeswehr's Logistical Support Service, led by Brigadier General Rode. The delegation arrived here at the invitation of the Bulgarian General Staff. These are the first contacts between the two Armies' Logistical Support Services.

The German experts will study cooperation opportunities in combat service support.

During the meeting, the sides exchanged information on the structures and functions of the logistical support units, the Defence Ministry's press office told BTA. They also considered opportunities for the supply of spare parts and army property from what was East Germany. It was proposed that Bulgarian military works start assembling, and later on manufacturing cars under German licence.

The delegation also met with Lieutenant General Stoyan Topalov, deputy chief of the Bulgarian General Staff.

Parliament Elects Havel First President

AU2601192893 Paris AFP in English 1922 GMT 26 Jan 93

[Text] Prague, Jan 26 (AFP)—Vaclav Havel was elected the first president of the newly independent Czech Republic Tuesday [26 January] by the nation's parliament. Havel, the former president of the united Czechoslovakia, which gave way to two independent states on January 1, was elected to a five-year term with 109 votes, eight more than the 101 vote majority required.

The playwright, 56, becomes the first president of the new state, having resigned from the Czechoslovak presidency last July. He was opposed by candidates from two minor parties who were given no serious prospect of defeating him. A group of right-wing deputies earlier held up the voting with an attempted filibuster in which Jan Vik, parliamentary leader of the Republican Party, provoked a walkout by deputies with a tirade against Havel blaming him for the breakup of the Federation.

Havel said before the poll that he envisaged a much reduced role for the Czech president compared with that which he played as head of state in the postcommunist Czechoslovak Federation. A leading dissident during the communist era, Havel directed the "velvet revolution" that overthrew the communist regime in November 1989 and was elected to the presidency the following month. Voting was also taking place in Bratislava Tuesday to elect a president of the newly independent Slovakia.

Klaus Welcomes Havel's Election

LD2601232893 Prague Radiozurnal Radio Network in Czech 1910 GMT 26 Jan 93

[Interview with Czech Prime Minister Vaclav Klaus by unidentified reporters following the Czech parliament session in Prague at which Vaclav Havel was elected president of the Czech republic—live]

[Excerpts] [Passage omitted] [Klaus] I hope that we all breathed a deep sigh of relief, that all the listeners and all the citizens of the Czech Republic breathed a deep sigh of relief! It is a good thing that the first president of the Czech Republic has been elected, and it is a good thing that Vaclav Havel has become this president. I believe that he will be wise enough to carry out this task and to carry it out successfully, and with his influence, his vision, his scope of knowledge, he will unite this country. It is exactly what we need in these difficult times of social, economic, and political transformation. [passage omitted]

[Reporter] I would like to ask the prime minister one more question. You said in our last interview that it seemed that the citizens were a bit worried by the fact that the president had not been elected, and that it was necessary to speed up the election a bit and bring it forward before the filling of the Senate. Do you think that, despite what happened here today during the deliberations, the signal to citizens will be a good one?

[Klaus] I am really not assessing the course of the deliberations so pointedly, since the course of the deliberations did reflect to an extent what many of us had voted for in the elections last year. Five or 6 percent of people voted for Sladek's supporters. They have to accept this as a reality of our time, and I think that it belongs to us. [passage omitted]

[Reporter] Prime Minister Klaus, the first Czech president was elected with 109 votes. It is a number high enough for him to be elected, but do you think it is enough votes?

[Klaus] Well, whether it is enough or not is not so important. [passage omitted]. He will be able to execute his office to a high standard with 109 votes.

Havel Holds News Conference

LD2601213893 Prague Radiozurnal Radio Network in Czech 2100 GMT 26 Jan 93

[Text] Czech President Vaclav Havel wants to reinforce friendly relations with all states, above all with the Slovak Republic. He said this at his news conference an hour and a half after he was elected the first Czech president. He also said that he wanted to look after the political stability of the country and the stability of the political system. He also said he would like to be an inconspicuous guardian of a high standard of political etiquette and of the standards of the public life in our country. He said he will be a president who cannot be recalled for five years.

Havel Willing To Mediate on Gabcikovo Dam

LD2701100693 Budapest Kossuth Radio Network in Hungarian 0800 GMT 27 Jan 93

[Text] In the Hungarian-Slovak dispute over the Gabcikovo [dam], the Czech Republic is not directly interested anymore. Despite this, Prague is not averse to mediating. Czech President Vaclav Havel spoke about this, among other things, at the first press briefing after his election, adding that this task belongs to the head of government and not to the head of state. As he said, the Czech Republic wants to strengthen its friendly relations with every state, but mostly it wants to do so with Slovakia.

Czech-Slovak Border Closure 'Technically Prepared'

AU2701061893 Prague CTK in English 1519 GMT 24 Jan 93

[Text] Prague, Jan 24 (CTK)—The closure of the Czech-Slovak state border in connection with the forthcoming currency separation has been technically prepared, Czech Interior Minister Jan Ruml said on Czech Television last night. It is up to the Czech Finance Ministry and Czech economics ministers whether they will decide to close down the border, he added. The Interior Ministry cooperates with other ministries, including the Defense Ministry, Ruml said.

A temporary closure of the state border is also envisaged by Czech Finance Minister Ivan Kocarnik. On Saturday [23 January], he said the Slovak Government counts with it. In contrast to this, Slovak Finance Minister Julius Toth on Saturday called rumors about the border closure false. Ruml also spoke in favor of a fast building of a real state border between the two republics and said that a sovereign state cannot fulfill all its functions as long as one part of its state border is missing.

The border should be of the same character as that with Austria, Germany, and Poland, Ruml pointed out. He added that this is not aimed against Slovak citizens, but against foreigners from third countries. The Czech Republic is now facing a possible influx of economic refugees who are to start to be deported from Germany as of April 1. Slovakia and the Czech Republic are transit countries for migrants from south East Europe, the former Soviet Union and some Asian countries on their way further on to the West. As their quantities have caused big difficulties to Germany, it has decided to tighten its policy on immigration and will accept only political refugees. The others will be sent back, but there is no guarantee that once they enter the Czech Republic, they will continue to the countries from which they came.

CSSD May Split Into Radical, Moderate Faction

AU2701061593 Prague CTK in English 1639 GMT 24 Jan 93

[Text] Prague, Jan 24 (CTK)—A radical and a moderate political line will be submitted to the congress of the Czechoslovak Social Democratic Party (CSSD), chairman of the CSSD Prague organization Milos Zeman told journalists in Brno, south Moravia, today. The 26th congress is scheduled to be held in Hradec Kralove, east Bohemia, February 26-28.

At the press conference today, journalists met with three candidates for the post of CSSD chairman: Petr Miller, former Czechoslovak labour and social affairs minister, and Milos Zeman as representative of the opposition radical current, and Pavel Novak, CSSD presidium member, as a representative of the opposition moderate current seeking a dialogue with the Czech ruling coalition. Miller said that the CSSD should be a party working together with political parties from the leading Civic Democratic Party (ODS) to the line where the Communist Party of Bohemia and Moravia (KSCM) stands. I cannot imagine any kind of cooperation with the KSCM, he said.

Zeman said the present CSSD chairman, Jiri Horak, has not been included in any prospective team because he has announced publicly several times that he was not going to run for the post. The CSSD is an opposition party with 16 seats in the 200-seat Czech parliament.

ODS Discusses Senate, Currency at Press Briefing

AU2701090493 Prague HOSPODARSKE NOVINY in Czech 22 Jan 93 p 2

[Report by "(st)": "Nothing Stands in the Way of the Election of the President"]

[Text] No demand has been officially made within the Civic Democratic Party [ODS] to hold early elections to the Senate. If an interim Senate is not formed from among the ranks of the former federal deputies, we should wait until the local elections. Nothing stands in the way of the election of the president. This is what ODS Chairman Vaclav Klaus stressed yesterday at the party's news conference in Prague.

With regard to the cost of the Senate, he said that roughly 200 million korunas per annum should be enough. The prime minister also gave an illustration of the amount of Czechoslovak currency currently circulating throughout the world in connection with the franking and exchange of money. The amount citizens deposit into a smaller bank—such as the Bohemia Bank—each day is, according to him, far more than the amount of korunas currently deposited in all foreign banks. "An insignificant sum is involved," he said. Of course, no one can estimate how many korunas are held abroad by private persons.

Apropos the report issued by the Supreme Control Office [NKU] on the privatization of the Knizni Velkoobchod enterprise, Klaus said that, first and foremost, it must be studied by bodies active in criminal proceedings. He personally does not identify with what is written in it. Apparently, the NKU has done something that simply does not concern it. "It is nice to know," he added, "that this office has produced some results during its existence." It would be better if it concentrated on the expenditure of state money and suchlike, he said.

Minister Outlines His Ideas About Czech Army

AU2601134693 Prague MLADA FRONTA DNES in Czech 25 Jan pp 1, 2

[Interview with Defense Minister Antonin Baudys by Ivan Jemelka; place and date not given: "The Main Thing in the Army Is Discipline"]

[Text] After his appointment, Minister of Defense Antonin Baudys insisted that he be given "one week for thinking" before replying to questions concerning the Czech Army. However, in the meantime he has made several important statements concerning the entire corps of commanders.

[Jemelka] At your first news conference you said that 674 former political officers would have to leave the

Army and described as traitors those officers who had in their personal files expressed agreement with the occupation of 1968. Have any personnel changes in this regard been implemented in the Army already? What characteristics should distinguish a Czech Army officer, and how do you intend to recruit such people?

[Baudys] Not all former political officers will have to leave the Army. If they have no other qualification, we will offer them the opportunity to undergo retraining. Agreement with the Warsaw Pact troops' invasion in 1968 is today only a question of ethics. I cannot sue and punish anyone for his inner convictions. However, I am convinced that those who enthusiastically approved of the invasion in 1968 and 1969 are not soldiers but traitors to their country.

Responsibility for the nation and the home country should be on the top of a soldier's scale of values. A commander must at the same time command natural authority to be able to maintain discipline under all circumstances. Discipline is the most essential thing in every army, be it the U.S. Army or the British one. Personally, I am confident that we will succeed in building such an Army.

I rely on the fact that our nation has certain abilities encoded in its genes. You can win over people only if they become convinced that your views are correct and unselfish and that your conduct is in accord with them.

[Jemelka] One of the objectives of the Czech Republic's foreign policy is association with NATO. When should the Czech Army start its rearmament in view of this objective?

[Baudys] That depends on the economic potential of our state.

[Jemelka] Even though the new concept of the Czech Army is only being drafted, could you tell us at least some of its principles?

[Baudys] The Czech Army should be capable of defending the country in local conflicts, no matter from which direction the aggression comes. However, it should also be deployable within international groupings as has been the case, for instance, in the Persian Gulf or in Yugoslavia. This requires greater mobility of the Army. By 1996 we plan to decrease the numerical strength of the Army by approximately one-third. All those whose job is such that its performance requires more than 12 months of training will become career soldiers.

[Jemelka] What changes are you preparing in the system of military education?

[Baudys] The system is inflated. Apart from reducing its size, however, its structure will also have to be changed. For example, the Military Medical School at Hradec Kralove is being administered and financed by the Army, but its graduates receive their degrees from Charles University. Therefore, most of them leave the Army to work as civilians. The school at Hradec Kralove is definitely of very high quality, but it is expensive for the Army to run. It will be necessary to look for another solution.

[Jemelka] What kind of a development do you expect in relations between the Slovak and Czech Armies?

[Baudys] Slovakia has always tended to cooperate more with Ukraine and Poland. Its relations with Hungary are very complicated. The Czechs, on the other hand, are rather inclined to cooperate more with Germany and Austria. Some kind of a fictitious border runs between Breclav and Hodonin, in my opinion. This means that Slovakia will seek protection against Hungary. Such security guarantees can be given to it only by Ukraine or Poland. This may also find its reflection in relations between the Czech Republic and Slovakia.

[Jemelka] Poland is very active in its efforts to institutionalize the Visegrad group. Polish Army representatives indicate that it would be beneficial if close cooperation among Polish, Czech, Hungarian, and Slovak troops were established. What is your view on this?

[Baudys] I can see no reason for the armies of the Visegrad Group to cooperate with one another more than they would, for example, with the Austrian Army. What we have in common is, for instance, the need to rearm. The extent to which a joint course of action in this regard is possible is a completely open matter.

[Jemelka] We have learned that you are a marksman. For how long have you pursued that hobby?

[Baudys] For about 18 months. It admit that I enjoy it tremendously. It is a sport that does not represent great physical strain but one that requires concentration, internal balance, and calm.

[Jemelka] Did you ever have anything to do with the Army in the past?

[Baudys] I only underwent basic military training as a tank-crew member. I admit that as a young man I dreamed about flying a glider, but my parents did not allow that. After graduating from high school I wanted to study aircraft design at the Military Academy. I was not accepted, however. I therefore studied engineering and optics, but the love for planes did not abandon me, and I would say that it also influences my attitude toward the Army.

EC Impartiality in Gabcikovo Dispute Questioned

AU2701102993 Bratislava SLOVENSKY DENNIK in Slovak 25 Jan 93 p 2

[TA SR report: "Quiet Diplomacy"]

[Text] Bratislava— As long as statements in the press do not go beyond the framework of routine reports, even if they are based on "insider" information, it is not necessary for the government or the ministry to immediately respond to the article in question, Peter Vrsansky, section chief at the Slovak Ministry of Foreign Affairs and participant in the trilateral talks between the Slovak Republic, the Hungarian Republic, and the EC Commission on the problem of the system of hydroelectric power stations on the Danube, told reporters on Saturday [23 January].

He was responding to Friday's report in the Budapest daily MAGYAR HIRLAP that, under the headline "Bratislava Is Silent on the EC Proposals on Gabcikovo," stated, among other things, that on Thursday the Slovak press did not even mention the compromise proposal tabled by the EC at Brussels. At the same time the daily wrote that there were no anti-Hungarian attacks either, which, according to MAGYAR HIRLAP, had until now accompanied every round of talks on submitting the Gabcikovo issue to the International Court of Justice. The daily observed that "the Hungarian Ministry of Foreign Affairs regards as a good sign the fact that, this time, the traditionally harsh words were not heard from Bratislava."

According to Peter Vrsansky, this confirms that both sides abide by the gentleman's agreement whereby they will refrain from harsh-sounding statements; an appeal to this effect had been made on them by representatives of the EC Commission and of states that take an intense interest in the development of the entire issue.

Should the idea arise that proposals to solve the water regime on the Danube after its damming are coming only from the Hungarian side or the EC, the idea is wrong. The Slovak side has come up with more than one proposal, including a proposal to monitor underground water. At the 19 January meeting in Brussels, however, it expressed astonishment at the fact that representatives of the EC Commission are assuming a stand on this dispute, in which they play a mediating role, Peter Vrsansky observed.

Vrsansky told reporters that two expert groups would meet in February. The first will deal with the water regime on the Danube and the second with drafting a special agreement on submitting the dispute to the International Court of Justice in The Hague. He mentioned that the text of this agreement has already been prepared, with the exception of one article and the preamble.

Article Reviews Kovac Career, U.S. Ties

AU2601145393 Bratislava SLOVENSKY DENNIK in Slovak 23 Jan 93 pp 1, 2

[Article by Juraj Hrabko: "Profession: President"]

[Excerpts] [Passage omitted] For the first time in its history, Slovakia will elect its president by a legislative body that emerged from free and democratic elections. Four candidates have been nominated for the first and possibly last double-round of presidential elections. [passage omitted] One of them is physician Roman Kovac. Prior to November 1989 a man of no significance who, thanks to his profession, nonetheless occupied a relatively high rank on the social ladder. He became a gynecologist only after marrying the daughter of Professor E. Dlhos, the famous gynecologist. In 1987 he became a candidate for membership in the Communist Party of Slovakia. In 1989 he became a party member although he never received a membership card. A relatively decent specialist noted for his enormous, inborn ambitiousness. He always had to be the chief of a department, no matter how small. In the 1980's he applied for the position of director of the Cifer poultry plant, which tellingly illustrates his attitude toward his medical profession.

After the "velvet" revolution he became chairman of the health care employees trade union. In April 1990 he was elected chairman of the Confederation of Slovak Trade Unions. Despite failing in a competitive bid for the job, he was installed as director of the Bionika medical research institute. He participated in the founding of a shareholding company that sought profits from treating Parkinson's disease. It was set up to treat foreigners rather than domestic patients through transplanting embryo tissue. This was not illegal, but definitely immoral and unethical. [passage omitted] What other fitting characterization is there for making use of basic human tissue for the purpose of earning hard currency and using women like hens that lay eggs?

In the 1990 elections he ran as number one on ticket No. 11, the Alliance of Farmers and the Countryside, which did not succeed in getting into parliament.

He became president of the Czech and Slovak Confederation of Trade Unions, an organization that through its strikes directed against the legislative body brought about a massive reduction of trade union rights. [passage omitted] Apart from its other activities, the Confederation filed a complaint against the so-called screening law with international forums, supposedly in the interest of working people. After Vladimir Meciar's dismissal as prime minister in 1991, the Confederation officially called on the working people to strike in his support. Here, too, one can see the roots of the rapprochement between Kovac and Meciar.

At that time, Kovac already knew that his career advancement was certain. Let me recall Meciar's words that the members of his cabinet had been getting ready for their government posts a year in advance. In March 1992 Kovac announced that he was leaving the trade union ranks. According to his own statement at that time, he wanted to devote himself to his medical profession.

He left only the ranks of his own trade union of health care employees, however, whose statutes do not allow officeholders to run as candidates for legislative bodies. [passage omitted] The Slovak Confederation of Trade Unions, on the other hand, which does not shy away from violating its own statutes, reelected him as its president. For the March-July 1992 period, the Assembly of the Slovak Confederation of Trade Unions approved an extraordinary monthly bonus of 15,000 korunas for Kovac, again in violation of its own statutes.

Let us recall the undoubtedly costly election campaign of the Movement for a Democratic Slovakia [HZDS]. [passage omitted] Three times a week, the HZDS availed itself of a whole page in the daily that is published by the Assembly of the Confederation of Slovak Trade Unions, a newspaper widely distributed in enterprises and various organizations. Not surprisingly, indications have appeared that the HZDS was being financed by the Confederation. Meciar confirmed that he had asked the Confederation for a loan. It almost sounds unreal that the Confederation Assembly almost unanimously decided that its independent control body, the Auditing Commission, would not deal with financial matters.

Kovac knows the U.S. AFL-CIO [American Federation of Labor and Congress of Industrial Organizations] trade union organization, whose representatives were in Bratislava several times. Three years ago they gave him as a gift a pin bearing their emblem—two clasped hands in a circle. The AFL-CIO is based in Washington. Recently Kovac said that the prime minister and he had received personal invitations from the U.S. Inauguration Committee to attend President Clinton's inauguration as guests. I took advantage of the offer to take a look at the invitation or, more precisely, at the envelope in which it was delivered. [passage omitted] The envelope confirmed what I had suspected. In the lower left corner it carried the fingernail-sized emblem of the AFL-CIO. The explanation is easy. U.S. Senator Mrazek is probably supported by trade union members, which is common in the United States. It was therefore no great problem to extend to them invitations to the inauguration. The problems for Meciar and Kovac would have begun had they actually traveled to Washington. They would have been treated as hundreds of other guests, artists, businessmen, and trade union members: without honor, without glory. Kovac has called Senator Mrazek "a great protector of Slovaks." My protector will hopefully excuse me for the following speculation:

Not so long ago Mrazek visited Bratislava, and on this occasion he enjoyed Kovac's great attention and favors. Slovakia's protector came to Bratislava as a representative of the Little Frost Co. Ltd. He showed interest in investing here. He held talks on building a private telephone network in Bratislava to serve hotels and private businessmen, which is certainly a lucrative business. Let us see how long it will take for deputies in the National Council of the Slovak Republic to discuss an amendment to the law on telecommunications, as the current law does not permit construction of private telephone networks. We may then get to see the protector more often, and find out the price of an inauguration invitation.

The president is the first representative of his state. We have also heard from Kovac about the qualities he should possess. I accept as a fact that Kovac is the deputy prime minister of my government. He did not become director of a poultry farm. Will he become president?

Czechs Criticized on Privatization Settlement

AU2701102693 Bratislava NARODNA OBRODA in Slovak 23 Jan 93 p 2

[Report by S. Tomanek: "Jiri Skalicky's False Card"]

[Text] In the Cilistovo Hotel in Kormoran yesterday, Slovak Privatization Minister L. Dolgos dealt with problems involving the enterprises Juhocukor, Progresson, and Dunas. In Jihocukor, representatives of the Anglo-French firm Tate & Lyle have just discussed the possibility of purchasing a 51-percent stake in the company. They intend to invest 442 million korunas [Kcs] in the development, technology, and environmental programs, and Kcs40 million of this amount should go to the support of sugar-beet growers. This will make it possible for the south Slovak sugar refiners to utilize their 400,000 [tonnes] capacity and attain high efficiency.

Inferior projects remain the Achilles heel of privatization. There are 59 incomplete projects left from the first wave, and the second wave does not look any better. Of the 600 second-wave privatization projects, to date only 60 have reached the ministry, and they all have to be returned to their authors because the property and legal settlements are inadequate. In this context, Minister Dolgos pointed out that the Czech National Property Fund was lamenting the "speed" at which the projects are approved at our neighbors. Therefore, all the talk about hundreds of projects being approved in the Czech Republic as opposed to dozens in Slovakia is meaningless. The decisions are made in the Czech Republic but the actual transfer of ownership that completes any privatization project does not take place.

Czech Privatization Minister Skalicky did not consider it necessary to attend the session of the Intergovernmental Property Commission on 21 January. He said that his nonattendance was a response to the alleged unwillingness of the Slovak Government to discuss the transfer of property following the first wave of privatization. The Slovak side offered a compromise in the form of a 0.8 billion koruna settlement, which the Czech Government has not accepted. Minister Dolgos described the Czech demand for a transfer of 19 billion korunas illogical and at variance with Law on Privatization.

Government Discusses Customs, Property Division

LD2601222693 Prague CTK in English 2149 GMT 26 Jan 93

[Text] Bratislava, Jan 26 (CTK)—The Slovak Government rejected today the draft agreement between the Slovak Republic and the Czech Republic on the establishment of customs crossing points on the common Czech-Slovak state border, and the draft agreement between the two republics on the easing of customs clearance for rail and highway transport. This information was given to CTK by Slovak Government spokesman Bohuslav Geci.

At its session, the government approved a proposed amendment to the agreement on common procedure in implementing the law on the division of Czechoslovak property between the Czech Republic and the Slovak Republic and its transfer to the two republics.

The government discussed and approved the foreign policy plan of the Slovak Republic as it was submitted by Slovak Deputy Premier and Foreign Affairs Minister Milan Knazko.

The government also recommended that discussion on the draft law on an increase in pensions in 1993 be postponed for one week, and that the complete agenda be discussed by the Ministry of Finance and the Ministry of Labour, Social Affairs and the Family.

Meciar Says Laws Must Protect Slovak Interests

AU2701061793 Prague CTK in English 2047 GMT 22 Jan 93

[Text] Bratislava, Jan 22 (CTK)—The Slovak Government must prevent a damage of Slovakia's reputation abroad and stop a conscious and willful dissemination of false data on the country and its government, Slovak Premier Vladimir Meciar said today in an interview with the Slovak Radio. However, this does not have to be done by an adoption of a law on protection of the republic, he added.

Meciar said he expected that a new criminal code would be adopted in Slovakia which would redefine criminal offenses in a completely new and different way. We are not speaking here about the right to one's opinion, Meciar said. He added that harmful activities should be prosecuted such as talking about (starting) civil disturbances, riots, or inciting any civil disobedience. Every society protects itself against a threat to its interests, he said.

According to Meciar, no presidential candidate can measure up to the premier's Movement For a Democratic Slovakia (HZDS) choice Roman Kovac. The others are all in a big crisis, Meciar said. In conclusion Meciar said that the Slovak Constitution safeguards against one party obtaining excessive power and thus it would be a nonsense for anyone to consider him to be a politician seeking personal power.

Meciar, HZDS Accused of Impoverishing Slovakia

AU2701113493 Prague CTK in English 1241 GMT 25 Jan 93

[Text] Bratislava, Jan 25 (CTK)—The post of Slovak president should be held in the next four to five years by a Presidential Council, Chairman of the Slovak National Unity (SNJ) Stanislav Panis told journalists today.

We do not consider it suitable for Slovakia, which one time was led by such a spiritually and morally mature statesman like President of the Slovak State Jozef Tiso, to elect a president who collaborated in one or another way with the former regime, Panis said. The legacy of the Nazi-sponsored Slovak State from the years 1939-45 tops the program of the SNJ, which was registered in January 1991.

The hottest candidate for the post of Slovak president is Roman Kovac from the Movement For a Democratic Slovakia (HZDS). In 1989 he applied for membership of the Communist Party of Slovakia, but withdrew the application after the fall of the communist regime in Czechoslovakia in late 1989.

Panis said that the HZDS leadership did not want an independent state, they did not have it in their hearts, which will lead to the impoverishing of the nation. He called the ruling HZDS of Vladimir Meciar a movement for the reinstatement of comrades in leading posts.

According to Panis, Slovakia is returning to the rule of red democracy.... We are afraid that after some time, the Slovak nation may seek restoration of its union with the Czech Republic.

Kovac, Ftacnik in Round 2 of Presidential Elections

LD2601122693 Prague CTK in English 1156 GMT 26 Jan 93

[Text] Bratislava, Jan 26 (CTK)—None of the four candidates nominated for Slovak president today succeeded in winning the three-fifths majority of votes required for election in the first round of the first double-round vote in the National Council of the Slovak Republic (Parliament).

Advancing to the second round to take place Wednesday [27 January] are two candidates who received the highest number of votes: Roman Kovac from the Movement for a Democratic Slovakia (HZDS) with 69 votes and Milan Ftacnik from the Democratic Left Party (SDL) with 30 votes. Jozef Prokes from the Slovak National Party

(SNS) was supported by 17 deputies and Anton Neuwirth from the Christian Democratic Movement (KDH) received 27 votes.

In a short speech before parliament, Kovac said the Slovak president should help society overcome the period of economic slump, which will probably hit Slovakia and which is likely to be accompanied by social problems.

Ftacnik said economic transformation is of key importance to him. The main goal is not market for market, but such an economy that will create conditions for a quality life for all.

Neuwirth cited the protection of health, a good environment and a social- and ecologically-orientated market economy as major tasks of the president and the whole society.

Jozef Prokes thinks the president should listen more than speak, and work.

Meciar's Candidate Loses in Mayoral Elections

AU2601144893 Bratislava SLOVENSKY DENNIK in Slovak 25 Jan 93 pp 1, 2

[Report by "SD": "Everything Depends on Trust"]

[Excerpt] Kosice—A third of registered voters in Kosice decided that Rudolf Bauer, candidate of a coalition comprising the Christian Democratic Movement, the Civic Democratic Union, the Civic Democratic Party, and the Hungarian Civic Party, would be the city's new mayor—until the communal elections. Of the 170,046 registered voters 57,414 participated in the elections, 56,301 of whom had cast valid ballots. The newly elected mayor, who has until now been deputy mayor, won 23,405 votes. His main opponent—Jaroslav Hlinka, an independent proposed by a coalition of the Movement for a Democratic Slovakia [HZDS], the Slovak National Party, and the Christian Social Union—won 15,518 votes and Stefan Dano, proposed by the Party of the Democratic Left, received 14,480 votes. The three other candidates running for the post of Kosice mayor received fewer than 1,000 votes each. [passage omitted]

[Prague MLADA FRONTA DNES in Czech on 25 January on page 2 carries a 200-word CTK report on the Kosice mayoral elections. The report points out that the HZDS candidate was defeated despite the fact that "at a meeting in Kosice on 15 January, held in support of the HZDS candidate, Slovak Prime Minister Vladimir Meciar declared that if a trustworthy mayor was elected, Kosice would receive a stand-by credit to pay for heat supplies. The stand-by credit should cover the debt owed by the Kosice municipal heating plant to the Slovak Gas Enterprise."]

SNS Sets Conditions To Support Kovac for President

AU2701061993 Prague CTK in English 2036 GMT 23 Jan 93

[Text] Bratislava, Jan 23 (CTK)—The Slovak National Party (SNS) is ready to support Roman Kovac from the Movement For a Democratic Slovakia (HZDS) in the second round of presidential election, Slovak Radio said today referring to sources close to SNS Chairman Ludovit Cernak.

But the party will vote Kovac only if its seven secret conditions were fulfilled, radio said, adding that this decision was made by members of the SNS Central Council today.

In the first round, the SNS will support its own candidate Jozef Prokes, Slovak parliament deputy chairman and SNS first deputy chairman, radio said. The SNS has 15 seats in the 150-seat parliament. The presidential election will be held on Tuesday, January 26.

Currency Split 'Urgent'; Money Should Be Deposited

AU2601153093 Prague CTK in English 1925 GMT 24 Jan 93

[Text] Bratislava, Jan 24 (CTK)—Slovak Premier Vladimir Meciar said on Slovak Television today that foreign exchange reserves in the Czech Republic have dropped to a level that makes separation of the Czechoslovak currency urgent. This is at variance with what Czech leaders have said about foreign currency reserves.

Meciar said that it is possible to get credits from abroad, but they would have to be guaranteed by both republics. If this way is acceptable to neither the Slovak Republic nor the Czech Republic, the only thing that remains to be done is to say that conditions for the split of the currency have been fulfilled, Meciar said.

He said that not only the Czech and Slovak Governments are to blame for this. The Czech side has advised us that insolvent Slovak enterprises deposit their money with Czech banks, he pointed out. He called on Slovak citizens to deposit their money with banks by the end of January as this is the only way for them to salvage their lifelong savings. He added that it will not be possible to change all money at a time. You will learn in time how much money we will be able to exchange, he said.

Estonian Prime Minister Visits

LD2601185393 Budapest MTI in English 1822 GMT 26 Jan 93

[Text] Budapest, January 26 (MTI)—Estonia could become a transit country for CIS-Hungarian trade, Budapest officials said about the first ever visit here by an Estonian leader, that of Prime Minister Mart Laar. Laar arrived in Budapest for a three-day visit on Tuesday [26 January], at the invitation of Hungarian counterpart Jozsef Antall.

An emotional emphasis is given to Estonian-Hungarian ties by a reviving awareness of the kinship between Finno-Ugric peoples. The 1-million-strong Estonian nation, regaining its sovereignty after the collapse of the Soviet Union and its replacement by the smaller CIS (Commonwealth of Independent States), looks upon Finland and Hungary, its ethnic cousins, as examples to follow.

Trade between Estonia and Hungary may be helped by Estonia's being the first of the three Baltic currencies to go convertible as Latvia, Lithuania, and Estonia leave the old rouble zone. In 1992, Estonian-Hungarian trade totalled USD [U.S. dollar] 2 million, with USD 1.5 million of Hungarian exports.

Laar will meet Hungarian Parliament Speaker Gyorgy Szabad, Prime Minister Jozsef Antall, and leaders of the Hungarian Democratic Forum and the Christian Democratic People's Party.

Spokesman Says Russian Policy Not To Change

LD2601150793 Budapest MTI in English 1445 GMT 26 Jan 93

[Text] Budapest, January 26 (MTI)—Moscow's delay in ratifying the Hungarian-Russian basic treaty is not seen here as a sign of possible Russian policy changes, Foreign Ministry spokesman Janos Herman assured the press in Budapest on Tuesday [26 January]. Russian President Boris Yeltsin had explained the formal reasons for delay to Prime Minister Jozsef Antall by telephone on January 21.

Agreements signed during Yeltsin's November 11 visit to Budapest were being implemented, the spokesman continued. Trade delivery estimates for 1993 had been fixed, and a schedule set for repaying Soviet debts to Hungary at 3.5 per cent interest. Talks to decide products for military technology deliveries show good progress. In December, Hungary supplied USD [U.S. dollars] 5 million of medicines to the Russian Army under a humanitarian assistance scheme.

Herman announced the departure of an expert delegation to Bucharest today, to discuss a Hungarian-Romanian basic treaty.

European Community and Visegrad group experts met on January 22 in Copenhagen, where Hungarian Deputy Foreign Ministry State Secretary Sandor Peisch expressed Hungary's interest in keeping links with the quadrilateral arrangement involving Hungary, the Czech and Slovak Republics, and Poland, Herman reported.

Defense Ministry To Train Albanian Officers

LD2601160093 Budapest MTI in English 1511 GMT 26 Jan 93

[Text] Budapest, January 26 (MTI)—Hungary has offered to provide training for Albanian military officers, Defence Ministry spokesman Lajos Erdelyi told MTI on Tuesday [26 January].

Albanian Defence Minister Safet Zhulali, who arrived here on a three-day official visit this morning, pointed out to his colleague Lajos Fur that his country took special interest in Hungary's experience in reorganising the Army along democratic lines.

Fur proposed Albanian officers could receive training and extension training in Hungary under a cooperation scheme between the two Defence Ministries. As part of European confidence-building measures, Fur also offered to provide information on how Hungary's national defence doctrine was worked out.

MDF Conference Issues Political Statement

AU2601142293 Budapest PESTI HIRLAP in Hungarian 25 Jan 93 p 4

["The Political Statement of the Hungarian Democratic Forum's [MDF] Sixth National Meeting"]

[Text] Against its will, Hungary became part of the Soviet bloc after World War II. This led to oppression instead of democracy, a state-planned economy instead of a market economy, and a rigid power structure and hierarchy instead of a civil society, all of which made it impossible for a great number of individuals to develop. This situation lasted until the change in the regime.

With its solitary revolution of 1956, Hungary failed in its attempt to rid itself of the foreign totalitarian regime. The years of unprecedented reprisals were followed by a relative consolidation characterized by a social peace obtained at the cost of Western loans and the depletion of Hungary's reserves.

The Soviet system collapsed economically, and it also collapsed on a worldwide scale in 1989-90. The need for a new adjustment also brought the need for a comprehensive and systematic modification of the political and economic system in Hungary. Initially as a broad intellectual coalition and later as the national center party, the Hungarian Democratic Forum [MDF] gave a new impetus to this restructuring. The MDF evaluated the situation realistically, it did not create illusions, and it came up with a peaceful program that can be implemented.

The change in the political system in Hungary started in a peaceful way, with agreements achieved through negotiations and, later, within the framework of the system of parliamentary institutions that emerged as a result of free elections. Prior to the final collapse of the dictatorship, the leaders of the party state guaranteed their chance of an orderly withdrawal, and the new forces could only gain ground gradually. The Hungarian people did not want a revolution, but they rejected the old system by an overwhelming majority at the elections. The coalition government of national commitment, freedom, Europeanism, and economic change created legal and institutional frameworks on the basis of the freely elected National Assembly and the parliamentary and democratic constitutional state, frameworks to be contentedly filled by the people and by Hungarian society as a whole. This process is the conscious and active political and economic restructuring in itself.

The serious economic burdens of our legacy, unforeseeable foreign difficulties, unfortunate and often repulsive domestic political struggles, the undermining of public trust, and irresponsible demagogy are hindering this country's citizens from contemplating their own fate and Hungary's future in a calm and confident way.

So far the MDF program has been partially implemented. Hungary is an independent European constitutional state and, with its internal peace, it is a stabilizing factor in the region. Hungary has taken an irreversible step toward the market economy based on private enterprise. It has torn itself away from the political and economic obligations of the empire and has become a trustworthy and attractive partner for the developed world and a firm supporter and attractive force for the Hungarian diaspora.

In line with the general efforts to provide justice, the MDF has created various institutions to provide compensation, and is striving to implement the still unsettled parts of the program of providing justice.

The MDF has made its first steps toward modernizing the culture, health care, and social policy, and it has also involved various churches in building the country. Tough burdens and alarming tensions have emerged in the midst of the unparalleled changes and the difficulties of adjustment, as well as under the influence of inherited problems; these burdens and tensions have combined with the citizens' feelings of uncertainty and often paralyzed apathy.

The new challenges—the drop in production, the unemployment, the social polarization, often deepened by unequal public burdens, the threat of lagging behind in the region, and other economic and social problems—demand answers.

The MDF is aware of the fact that economic prosperity could create confidence in the institutions of a democratic constitutional state and could also provide answers to social problems.

The MDF cannot be diverted from the program of the social market economy, because only this program guarantees our adjustment to the community of successful countries. We need a mixed economic policy that focuses on healthy and sustained growth and creates a social balance based on this growth.

The MDF considers the following to be its major tasks in the coming period: reviving and strengthening the desire to invest, taking a consistent stand against unemployment and the high budget deficit, further arresting the rate of inflation, and taking social steps based on need. Avoiding public burdens should not be allowed, and firm steps are needed to combat "the black and the mafia" economies.

In addition to guaranteeing the openness and freedom of competition, the MDF also is providing an active role for the state in the areas of infrastructure and education. The MDF is aware that its market-oriented economic policy that focuses on economic growth also serves the basic interests of most economic and social partners. Therefore, the MDF wants to pursue an economic policy based on a consensus among the responsible forces, because this is what Hungary needs. This provides discipline and solidarity, and a spirit of national cooperation.

The MDF consistently adheres to the continuation of the ownership reform. In the course of privatization, the MDF gives priority to competition and the citizens' desire to acquire property, along with maintaining the attraction to foreign capital.

The MDF is seriously committed to the national values and the interests of all Hungarians. It firmly insists on the ideals of the rule of law, parliamentary democracy, freedom, and property. It is a quiet political force advocating democracy, peaceful conditions, determination, and reliability, a party open to and ready to hold talks with all the responsible political forces.

The MDF is honestly and profoundly aware of the citizens' difficulties. It is extremely important for the society to clearly learn and understand the current processes, our real situation, and our possibilities of overcoming these difficulties. It is extremely important to have our society clearly understand and accept our policy.

The fact that we failed to express our well-intentioned endeavors in a clear way and with an appropriate tone has distanced part of the Hungarian society from the MDF. There is a need for a new dialogue and a new tone with all the strata of our society, and this way we should win the people's support. We must also strive to improve the relations between the MDF and the press.

Apart from external economic and political uncertainties, our national renewal is mostly endangered by internal problems, burdens of restructuring, the economic, political, and social demagoguery based on these burdens, and the shattering of stability.

The Hungarian citizens are defeating the difficulties of restructuring by carrying great burdens with unprecedented discipline and a stubborn will to act.

The MDF proved its knowledge, courage, and readiness to act in deeds, rather than in slogans. Should the MDF fail to win enough confidence in the 1994 elections, the painful process of restructuring would come to a sudden halt, and the country would be driven into an uncertain situation. The command of European competition and adjustment does not allow any further delay. "Hungary's moments are very expensive."

Antall Reviews Internal Conflicts

AU2601123993 Budapest PESTI HIRLAP in Hungarian 22 Jan 93 pp 4-5

[Interview with Prime Minister Jozsef Antall by Andras Bencsik; place and date not given: "The Clean Door of the MDF"]

[Excerpts] [Passage omitted] [Bencsik] In your speech as party chairman in October 1989, you cautioned the Hungarian policy against three dangers: opportunism, doctrinarianism, and low-level politicizing. How do you see these dangers today?

[Antall] I see all three of them, and I honestly regret that I proved to be a good forecaster. One can see these dangers both in the country and in my own party and other parties, too. I said that cowardice is the first that cannot take a courageous step when necessary [sentence as published]. This compromise could lead to opportunism. I do not think that we can talk about this in a party and a government that succeeded in making the Soviet troops withdraw from Hungary despite the Soviet threat that was still prevailing at the time.

We were the first to draw attention to the dangers in the Yugoslav area. Our attitude in the most serious situation, during the Soviet coup attempt, made it possible for the Russian and Ukrainian side to treat us differently. This is how we could create a foreign policy that is able to counterbalance the nationalist and extremist political efforts that are present in some of our neighbors. By doing this, we avoided the emergence of some kind of alliance of interests against us, and we created a system of relations that indeed serves Hungary's interests. One who carried all this out can hardly be accused of being a coward.

However, I witness a lot of manifestations that show cowardice. Compromise is not cowardice, because this is a rational agreement between possible and positive goals. Therefore, anyone who tries to present any compromise as such a step, like the pact signed with the state party on 18 September 1990 or the agreement signed with the Alliance of Free Democrats [SZDSZ], is making a big mistake.

The former was a correct agreement that led to the disbanding of the Hungarian Socialist Workers Party [MSZMP]. If this had not happened, if we had not succeeded in making the MSZMP turn into a new party, the Hungarian Socialist Party [MSZP], there would still be some 400,000 MSZMP members today, because people do not move easily from one party to another.

It was not by accident that neither the SZDSZ nor the Federation of Young Democrats [FIDESZ] used their veto against this, because they also knew that this step was necessary and someone had to do carry this out.

Our agreement with the SZDSZ is ridiculed as the other pact, although we informed both our coalition partners and the opposition about this on the very night we signed it, and the presidium, board, and deputy faction of the Hungarian Democratic Forum [MDF] approved this pact. This important political agreement is now opposed by people who voted for it at the time. [passage omitted]

No one should claim now that it would have been possible to create a stable government without compromises. I can declare that we have never signed any agreement that was not documented or published. [passage omitted]

[Bencsik] We have reached now the point which, I think, is the most sensitive and painful one, namely the internal crisis that the recent editorial in the MAGYAR FORUM described vividly. If I wanted to be ironic, I could say that there is no more eloquent proof to your centrum policy than the fact that while the opposition accuses the government of aggressively clinging to power, the radicals within the MDF are accusing the party of being weak and unsuccessful. In your view, what led to this crisis?

[Antall] A German politician of the last century said the following: "I always get scared of committing some stupidity when my enemies are praising me." I am in the fortunate position that I get relatively little praise, and so I do not have to worry too much about myself. Strong accusations are hurled at me from both the opposition and a part of the MDF, and from within the coalition. This indeed makes me think that our road is not a wrong one. [passage omitted]

This nation is not mentally prepared for irresponsible politicians or demagogues and charlatans to throw otherwise worthless political statements at each other's head and simply disregard them afterward. One consequence of this is that politicians become undervalued. Or, something even more dangerous; judging from the behavior of clown politicians, people question the whole constitutional system, the legal state, and democracy.

We cannot accept this.

[Bencsik] To what extent are the political opposition and its mass media responsible for all this?

[Antall] I do not object to being criticized or attacked, but I object to the fact that, as early as at the time of the elections and the inauguration of the new government, they created an atmosphere that damaged the national awareness. I recommend that people compare the television and radio broadcasts from that time with the inauguration of Bill Clinton. I do not wish to compare myself with him, but what the television did here at the time is unheard of. [passage omitted]

In addition, this atmosphere was joined by a militant circle—in the opposition, a residue of the previous state party that had lost its power, which, as a preparer of the changes, felt that it had been given less than it would morally and politically have deserved because they had been part of the changes. It was difficult for them to realize that, in a multiparty parliamentary democracy, if someone fails in the elections then he does not have a reserved seat.

Since then it has been possible to conclude from several statements that certain former reform communist politicians believed that as experts—this is where the myth of experts comes from—they would be given a place in government even after the change of the regime. They also wanted to give an international basis for this, they wanted to get international backing to help them stay in government for which there were obvious precedents in the Polish, CSFR, and other governments. This is why former communist politicians reacted with such an astonishment when I made it a point of principle not to allow any former member of the Hungarian Socialist Workers' Party to become a government member—for the very reason that we should never be accused of this and that we could begin with a clean slate. We could begin with a government, none of whose members have ever been members of the previous Parliament. [passage omitted]

[Bencsik] How do you explain the process that finally led to the crisis between you and Istvan Csurka and his followers? Could this process have been prevented?

[Antall] Istvan Csurka is a particular phenomenon in the MDF, and many people joined him with various considerations. These are people of varying qualities. As he once aptly noted, all kinds of people stick to him like dirt. Everyone has to decide himself what he does with the dirt that is stuck to him, and he also has to decide whether, when he considers someone as dirt, he accepts him as a follower and qualifies the man later.

I cannot accept this kind of political conduct. The MDF is a center party; therefore, it can only be in the center or on the center right. [passage omitted]

In the political chess game of parliamentary democracies, it does happen that the left-wing political forces implicitly support the parties that appear with a right-wing phraseology, because the best way to prevent a center or center-right party or party alliance from coming to power is by highlighting it and trying to create a political party to the right of it. Then the center-right and the center may become unable to govern, and thus the center-left and the extreme left gain strength. [passage omitted]

The right wing (I mean the extreme right by this) can exist anywhere, but it is easy to define in whose interest it is to establish the extreme right, namely generally the interest of the left wing. If we now examine the political situation in Hungary, both the domestic and the foreign policy, at the moment, there are not any similarly large forces behind a right-wing or extreme right-wing takeover as behind the left wing that has been established in half a century and which, even in its dissolution, has bigger financial means and infrastructure background than the right wing.

Therefore, for an extreme right danger to exist here out of the right wing's own interest, means of power would be needed that do not exist. Obviously, extreme right-wing groups exist both here and abroad. However, the fact that, at the push of a button, it was possible to kindle movements all of a sudden in places where they do not even have traditions, is really interesting from the point of view that in whose interest this happened. In whose interest is it to destabilize Europe and especially Central-Eastern Europe?

It is obvious that it is impossible to pull a center party like the MDF, which is center to center-right, to the left; therefore, if we want to destroy this center force, it is not worth attacking it from the left. It can only be done toward the right. It is the oldest communist tactic to push the center parties toward the right and to continue the salami-slicing politics toward the right rather than to the left.

Perhaps it is possible to buy political forces on the left wing, but it is only possible to take a serious party into pieces toward the right. These kinds of efforts can clearly be seen in other countries and here, too.

If I put the question in such a way as to ask in whose interest it is to shatter and weaken the MDF and generally the center parties today, and to try to destroy it with right-wing phraseology forcing it toward the right, then the answer is that this indeed is in the interest of the left wing. [passage omitted]

At first, the SZDSZ conducted anti-Bolshevik politics. In their last television broadcast before the elections, Janos Kis used the term unrelenting. This anti-Bolshevism was a very well planned policy then. It served the purpose of channeling people with anticommunist feelings into the SZDSZ. However, later, this created tension in the SZDSZ, and the original hard core that included very many former revisionists, Marxists, Maoists, post-Marxists (as you like it) and other, genuinely liberal or democratic forces created a political formation in which great tensions emerged.

If Istvan Csurka had not written his masterpiece on 20 August 1992 then he might not have been able to put the SZDSZ back on its feet again and put them back into shape the way he did. Naturally, this great anticommunsim was pushed into the background in these parties after the elections. When, at the turn of 1989 and 1990, I first made the statements that these are left-wing parties with left-wing values at best, then they protested noisily. At the same time, whenever it was necessary, they depicted us abroad as parties that collaborate with the former regime—naturally, as parties collaborating with communists and, where necessary, as anti-Semitic parties. [passage omitted]

When, after the elections, the government was formed, and the government coalition and the center could not be taken apart with this accusation anymore, and there was no point in continuing the anticommunist propaganda, then they began the so-called moderate politics. From there on, we could only be politically eroded if the left wing, rather than accusing us of being a left-wing group which had once already failed, accused us of being a right-wing group.

At first, the Independent Smallholders Party [FKgP] proved to be a good ground for this. The view was that results could be achieved with the most extreme right-wing propaganda and through inciting emotions. It is worth seeing that after the takeover attempts in the FKgP and the continuous slicing, at what level the political forces that were explicitly connected to the former set-up wanted to overtake it and whom they wanted to use as experts and politicians when Jozsef Torgyan came to the forefront.

When this policy lost some of its power because of its visible failures, there was nothing left but to use right-wing phraseology and certain radical views to arouse a policy in the MDF, the main force of the coalition, which is now formulated in the MDF partly connected to Istvan Csurka, demanding radical change, a big anticommunist clean-up, and other political goals. In a political party, after governing for two and a half years, many people are dissatisfied because things did not happen the way they had expected; they did not become what they had desired, or did not make careers, and because, in the life of a government between two elections, there is always a period when the political parties get to a low point, and the fight for power begins. After long sniper-preparations, the openly aggressive frontal attack against democracy was started by the political forces surrounding Istvan Csurka rather than by the center and the government forces. [passage omitted]

[Bencsik] At the national-populist circle's national meeting, you clearly explained that another cycle was needed for the conditions of the political rotation system to develop. I understand this. However, to achieve this, you now have to clear a hurdle. With some political means, you have to manage the crisis that has erupted in the MDF. What ideas do you have to offer to your partners and the deputies?

[Antall] I would like to make it clear that the conflict is not between the national-popular, the national-liberal, and the Christian-democratic tendency. Actually, all three are tendencies included in our statute, and they actually manifest themselves through the heritage of the Lakitelek founding document. Some of the MDF's membership and leaders identify equally with all three values. I, for example, consider this ideological heritage inseparable in balanced proportions. [passage omitted]

Therefore, this is not the question. The issue is something else, namely that the legal state is on the same side as parliamentary democracy and social market economy. People who agree with this and cannot imagine the protection of national values without these are democrats. However, those people who agree with all these values but do not accept national and European commitments are not part of Hungarian politics. I can only see this issue in this way, as a whole. [passage omitted]

I am optimistic regarding the MDF's sixth national meeting, because our people have a sober and calm nature. At the same time, I am also aware that we will have a difficult national meeting because we will have to face political forces—and go to the utmost if necessary—which look upon the world according to completely different political and moral norms.

I am saying without trying to be personal that the government, the MDF, and the Hungarian nation was at a rising period of its life on 20 August 1992, and Istvan Csurka's article and later events harmed these all at the same time, in the same way as the opposition and some of the media did with the series of unjust accusations. For this reason, compromise is not necessarily easier—as Istvan Csurka believes—within the MDF than with the representatives of other parties and political forces. I have always known whom I was facing on the other side. It is more difficult to find this out within one's own group. It is easier to make a compromise with those whose ideas and the limits of their honesty we know, than with people who appear to be with us and wear a similar robe to ours but who keep attacking our policy treacherously on the basis of their deliberate plans in an increasingly sharp tone. The MAGYAR FORUM weekly newspaper that has long been separated from the MDF is a good example of this. Gradually it has become one of the most antagonistic newspapers opposing the government's centrist policy, trying to fulfill from within the task that the most radical newspapers have not yet been able to carry out. [passage omitted]

Csurka Views Congress

AU2601143593 Budapest MAGYAR HIRLAP in Hungarian 25 Jan 93 p 5

[Interview with Istvan Csurka, member of the Hungarian Democratic Forum's [MDF] presidium, by Pal Szombathy; in Budapest on 24 January: "The Counter-Campaign Was Ineffective"]

[Text] The deputies of the national meeting elected some people to the presidium whose names had been suggested by the MAGYAR FORUM. This gives me confidence. Istvan Csurka, who was elected to fourth place on the newly established body, said this to MAGYAR HIRLAP. The writer-politician pointed out that, in spite of the rather sharp clashes, the Hungarian Democratic Forum [MDF] managed to stay together, which other parties might not have been able to do.

[Szombathy] How are you feeling on the last day of the national meeting?

[Csurka] I am very well. Excellent, thank God.

[Szombathy] What are your general feelings politically? Have the debates worn you out?

[Csurka] They were tiring. I would not like to assess the election results, I am not talking about them. It would be good to leave the whole national meeting with positive impressions. There might be a chance to do this when we see the statements of the working groups. Through their activity, the work ethic has returned to the meeting to a certain extent. The statements that have been made about me need not have been said so many times. I am not the sort who cannot understand things straight away. The campaign against me proved to be rather ineffective because the deputies received me very warmly. They voted five people onto the newly established national presidium who were suggested by the MAGYAR FORUM.

[Szombathy] Do you consider this as a first victory?

[Csurka] I do not see it as victory because I do not like this term. This is not a football match.

[Szombathy] Has the presidium incorporated your rather radically worded criticism in this way? In the wake of what actual steps will the incorporated criticism become visible for the public?

[Csurka] I hope that it will become visible in the future. For the time being, what happened was that the politicians who made sharp criticisms continued to remain part of the party's presidium. This gives me greater hope than the fact that a number of people from our list became part of this body and how much support they had. The main point is how we use this in the future. In the future, we cannot consider someone who sharply criticizes the MDF as an enemy and someone to be expelled. If, after the attacks on me, it was possible to elect me with a high proportion and Jozsef Antall again as the party chairman with full support—after what he received in the MAGYAR FORUM and after all that he said in the PESTI HIRLAP—then the national meeting obviously thought that we both have a place here; this was the forum's decision and I am conscious of this.

[Szombathy] According to some people, in order to win, Jozsef Antall had to defeat someone. This person could only be you. According to others, the conflict between the two of you was only a theatrical act, while in the background, you agree on very many issues.

[Csurka] The MDF does not operate in this way. I admit that it is possible to go in for such political theatrics, but this does not go on in the MDF. I could say unfortunately so, because it could be part of politics. However, the facts are contrary to this. Views and people have clashed many times in this forum and in our party. At the same time, the MDF is nevertheless different from others because it has managed to stay together even after these strong clashes. It is not certain that other organizations or parties would similarly be able to contain such opposing views.

[Szombathy] How did you react to the fact that your proposed agenda was rejected and to what extent was this determining?

[Csurka] The national meeting was long overdue. The fact that our proposed agenda was rejected no longer has any significance. The important point is that the struggle for a better agenda had been going on for weeks. This is one of the reasons why four suggestions were put forward to the plenum. In addition, because of the criticisms, the presidium modified the already accepted version and included a political debate to precede the voting. It is a different matter what sort of debate this was and whether it could at all be called a political debate. I would prefer to qualify it as a preparation for the election campaign. Peter Nahimi, a member of the presidium, raised some serious political ideas and his speech was of real value to the debate.

[Szombathy] Will your radical attitude and criticism continue in the presidium? You wanted an extraordinary national meeting to be convened; will you still try to do this after making peace?

[Csurka] I cannot really answer this question yet. At the moment, I do not think that an extraordinary national meeting would be necessary, but the presidium will have to decide this.

Editorial Assesses Congress

AU2701115593 Budapest NEPSZABADSAG in Hungarian 25 Jan 93 p 3

[Editorial by Istvan Tanacs: "The Road Is Free"]

[Text] We can be relieved. [Prime Minister] Jozsef Antall and the center of the Hungarian Democratic Forum [MDF] drove extreme right-wing radicalism a good distance away from state power.

At this moment, it seems that this system, with its relative political stability, with its just about manageable economic problems, and its democratic institutions that are constantly being tested, will peacefully arrive at the next elections at the normal time.

Even after things had calmed down, my view is that there was a big danger. Especially until the deputy leaders of the MDF made it clear that they would support Jozsef Antall if Istvan Csurka forced them to choose. Csurka opened far too wide a front when, in addition to attacking the prime minister, he also offered a complete alternative list for the presidium in the MAGYAR FORUM. At this point at the latest, Sandor Lezsak or [Interior Minister] Peter Boross should have examined thoroughly what kind of people Csurka's Hungary would be based on. What kind of relations would the international public and the major part of Hungarian society have with this kind of ruling power? After considering all this, they would also have had to decide where their place would be in this kind of rule.

I understand but find it abhorrent when, for party political considerations, opposition leaders try to blend Csurka's and Antall's goals into one. Antall wants a market economy, Csurka does not. Antall wants a parliamentary system, while for Csurka, the end justifies the means. Antall is heading for the international community while Csurka would isolate the country.

There are more Csurka-followers and fewer liberals in the presidium than before but the party chairman still has a stable majority. The MDF has moved toward the right but, in my view, the fear that Istvan Csurka can impose his will on this presidium is not realistic. The presidium was elected by the deputies, not by Antall, therefore, Csurka and his followers could not be left out of it. However, it does no harm to remind people that on 21 January—rather than whether Csurka will be pushed completely into the background—the question was whether the revolt against the prime minister would succeed.

The battle is over and the rebels have failed. Revenge is not customary in democracies, however, one cannot pretend that nothing has happened. Csurka switched over to a softer voice but he will not be resigned to his defeat. He would not have had a chance to take the matter to a crisis had he not been allowed to monopolize the MAGYAR FORUM and use it to incite the MDF membership against Antall and the party's center. This presented a bigger danger for the prime minister's power than the whole opposition media. I wonder if there will be a change in this or whether the Csurka-newspaper that influences the MDF membership and the Hungarians living abroad will continue to throw verbal abuse on the prime minister and his supporters.

Rather than whether the leading government party can give adequate replies to the issues affecting the country's development, what was at stake at the MDF's national meeting was whether the radicals manage to bar the way to free elections in 1994.

This question has been decided and the way is free. The rest is up to the opposition. However, the current performance of the MDF center indicates that, if in 1994 the Hungarian people are to choose a democratic way that is different from the right-wing position of the autocrats and the gentry, the opposition parties will have to do much more than make self-confident statements that treat the MDF as a dead lion and indulge in mutually detrimental rivalry.

Commentary Says Clinton Taking on 'Difficult Legacy'

AU2501135993 Warsaw TRYBUNA in Polish 21 Jan 93 p 1

[Commentary by "Z.S.": "The 42d President of the United States"]

[Text] William J. Clinton is taking on a difficult legacy. That applies both to The United States itself and to a world that is changing after the end of the Cold War. The new president is taking over the White House conscious of his tasks, having adjusted his program accordingly. Much depends—and not only in the United States—on the extent to which he will succeed in accomplishing those tasks and on remaining faithful to his pre-election promises.

This matters to us in Poland too. The United States is a power that has an enormous influence on the course of events on our planet. How that influence will be used is what is important. One can hope that it will be used for solutions that will serve international justice and genuine cooperation based on principles of mutual interest, as well as for peace without dictatorships, achieved not through military force, but by way of dialogue.

Lithuanians Ease Restrictions on Border Crossing

LD2601131493 Warsaw PAP in English 1151 GMT 26 Jan 93

[Text] Bialystok, Jan. 26—The Lithuanian authorities have unilaterally eased border restrictions at the Polish-Lithuanian border crossing at Lazdijai-Ogrodniki, it was announced on Tuesday [26 January].

With immediate effect, citizens of the three Baltic republics of Lithuania, Latvia and Estonia, and also citizens of the post-Soviet Republic of Georgia, will be able to cross individually at Lazdijai-Ogrodniki, a facility which has been previously open only to organised parties and persons travelling on official business.

For citizens of other post-Soviet republics, the border crossing will be open only to passengers travelling in organised groups.

There are no restrictions for Polish citizens.

Rumor of Joint Maneuvers With U.S. Denied

LD2601222193 Warsaw PAP in English 2144 GMT 26 Jan 93

[Text] Warsaw, Jan. 26—Commander of the Polish Air Force, General Jerzy Gotowala on Tuesday [26 January] denied recent press information on preparations for joint Polish-U.S. air force manoeuvres. All speculations in this respect are groundless said the general.

Gotowala did say however that representatives of the Polish and U.S. air force are holding initial talks on the development of contacts between the Polish Army and the Armed Forces of the United States.

Skubiszewski Pleased With Visit to Bucharest

LD2601232793 Warsaw PAP in English 2309 GMT 26 Jan 93

[Text] Warsaw, Jan. 26—Foreign Minister Krzysztof Skubiszewski Tuesday [26 January] on return from Bucharest highly assessed his visit to Romania and stressed the need for "quick initiative" stimulating mutual economic, scientific and cultural cooperation.

In Bucharest Skubiszewski met with representatives of Romanian opposition parties, including Leader of the Civic Alliance Party Nicolae Manolescu, Leader of the National Salvation Front Petre Roman and Deputy Leader of the Christian Democratic Peasant's Party Ion Diaconescu. The Polish minister was mainly interested in learning the opposition's viewpoint on Romanian economic affairs.

Earlier, he had met with Rector of Bucharest University Emil Constantinescu, who is also the leader of the Democratic Convention.

On the second day of his visit to Romania Skubiszewski also met with the local Polish community to praise their determination in preserving their national identity under communism, despite harassment discouraging any contacts between Poles in Romania and in Poland.

Back in Poland, Skubiszewski recalled that Romania had long been Poland's partner in security and that the Polish-Romanian treaty includes paragraph referring to this question.

Skubiszewski also said that talks concerning travel between both countries would follow soon and added that the Romanian Poles were concerned by the possibility that Poland may introduce entry visas.

Walesa Meets German Minority Representatives

WS2601133393 Warsaw SERWIS INFORMACYJNY in Polish 1738 GMT 21 Jan 93

["The President Was a Guest of the German Minority Deputies' Club"—SERWIS INFORMACYJNY headline]

[Text] President of the Republic of Poland, Lech Walesa, met in the Sejm with representatives of the German Minority Circle, who presented the problems of the minority, arising from the fact that very little was written about this in the Small Constitution. Speaking about his bill on the Charter of Rights and Liberties, which guarantees every man that his rights will be observed and prevents corrupt practices by authorities, the president expressed the hope that the adoption of the bill may result in solutions to the problems brought up in the discussion.

In reply to a question about the role of the German minority, the president said: "I have said many times that I want pluralism in Poland. From the minority I expect cooperation, and the elimination of everything that causes conflicts. I also expect understanding that this is Poland and there are no problems, except the problem of disorder. This is a different epoch, with different sentiments. There are facts, and we should live with the facts. As a minority, do everything so that Poland will be built, so that there will be no conflicts in Poland. Both sides should eliminate everything that causes conflicts."

Conservative Leader Views Suchoka Government

PM2701082493 Gdansk DZIENNIK BALTYCKI in Polish 18 Jan 93 p 2

[Statement by Conservative Party leader Aleksander Hall recorded by correspondent Barbara Szczepula: "Should We Support Suchocka's Government?]

[Text] The title question, which was at the same time the subject of a meeting between Conservative Party leader Aleksander Hall and the residents of Gdynia, was answered by Hall as follows:

"Yes, but neither unconditionally nor uncritically. I am not saying this because I took part in putting the present government and the government coalition together. Nor am I saying it because I personally like Madam Prime Minister. I simply believe that the present configuration is the best of all alternative setups possible today.

"It does, of course contain weak points, too. First of all, it is a government that lacks cohesion and does not give the impression that it is ruled with a strong hand or that it is internally "well-tuned." This is particularly obvious in such crisis situations as, say, miners' strikes.

"Nor does the government's position on matters connected with the state budget cause anyone much joy, especially as regards such budget-related parliamentary bills as the proposal to freeze income tax grade threshold rates, or the idea of introducing an additional 50-percent tax rate on top incomes. These solutions will hurt not only the most wealthy individuals but also a number of small businessmen.

"Another mistake made by the Suchocka government is its passive attitude in the matter of implementation of reforms. I was hoping for more dynamic reform-oriented actions, and I expected the government to continue the tradition of the lively tempo of reform-implementing operations which was the hallmark of Deputy Prime Minister Balcerowicz's work in the government. So far, it appears that I have been waiting in vain.

"There is also a marked lack of clear policy lines as regards relations between the government and the president. I fail to see any determination on the part of the government to ensure that its distinctive rights and prerogatives are respected. This can, of course be done while at the same time acknowledging the president's own range of competence. The fact that the government is careful to preserve correct relations with the Belweder [Palace, president's official residence] is in itself praiseworthy, but I still believe that the former cedes too much power to the latter.

"However, let me now list the positive points.

"First, the actual realization of the seemingly impossible concept of combining a number of different ideological options. Party cooperation within the coalition enables politicians to overcome many seemingly insurmountable obstacles, albeit not without some discords. The antiabortion bill can be cited as an example here.

"In addition, given all the reservations I mentioned above, there is no doubt that it is a government which wants to build a market economy, which intends to get on with the privatization program, and which aims to curb inflation. Furthermore, the fundamental directions of Polish foreign policy are compatible with the Polish reason of state and are being followed adroitly and skillfully. The present government certainly has the advantage of the popular confidence extended to Miss Suchocka. This is particularly important in view of the events of the recent past in Polish politics, in which so many ostensible authorities have been compromised.

"Perhaps all this does not amount to much, but I believe that it is quite a good situation when viewed against the possible alternatives. Nevertheless, I believe that there is a need for the government to 'galvanize' its activity and to obtain the competence to issue acts carrying the same formal power as parliamentary laws: These are needed to accelerate the rate of the reform. I also believe that it will be necessary to make certain changes in the government's composition. We should move away from a narrowly interpreted party 'key' for filling government positions. The prime minister should have full freedom of maneuver and the opportunity to replace the people who have not proved suitable in their positions." (At this point, Hall failed to reply to the question of whether he was thinking of certain figures from the Christian National Union [ZChN]; when asked whether he was not apprehensive about the possibility of Minister Rokita placing his men in all government posts, Hall replied that that would be impossible because such a move would invalidate the entire coalition).

"Nevertheless, I believe," the Conservative Party leader continued, "that the government devotes too little time to forging contacts with the coalition parties. A situation in which the prime minister relies exclusively on her two closest advisers is really unacceptable because it reduces the principal center of power to an uneasy minimum and isolates it from parliament and from all major political forces."

UP Ends Congress, Launches 'Political Offensive'

AU2701102493 Warsaw PAP in English 2059 GMT 24 Jan 93

[Text] Warsaw, Jan. 24—The first congress of the Union of Labour (UP) ended its two-day meeting in Warsaw on Sunday [24 January] with the adoption of a programmatic resolution and the election of Ryszard Bujak as the party's chairman.

It was stressed that the UP is a party of a social-democratic character representing the interests of working people. The UP, being neither a post-solidarity movement nor a post-communist one, criticizes economic results of the cabinets ruling Poland during the last three years and intends to launch a programmatic and political offensive.

In an adopted resolution, the congress presented its own programme of "a social market economy" aimed at breaking the economic impasse and improving the living conditions of working people.

The delegates opted for the separation of church and state and supported the action of the committees campaigning for a referendum on abortion.

Part of the debate was devoted to the UP attitude towards the Social-Democracy of the Republic of Poland (SdRP). The heated discussion ended with the adoption of a resolution saying that the UP is open to all honest working people sharing leftist views.

Ex-Prime Minister Warns of 'Communist Backslide'

AU2701105693 Warsaw RZECZPOSPOLITA in Polish 25 Jan 93 pp 1, 3

[Report by Bernadeta Waszkielewicz: "The RdR And The 'Program For Poland'"]

[Text] "We are undertaking the work of restructuring the entire political order in Poland on the basis of a long-term program, a program that offers a complete alternative to the present order." Such is the description of the aims of the Movement for the Republic [RdR] given by its leader former Prime Minister Jan Olszewski, at an RdR organizational-programmatic conference in Warsaw on 24 January. The conference was attended by representatives of 43 active RdR chapters, and was said to mark "the official start of RdR activity among the existing strictures."

Olszewski said that Poland is "in danger of a communist backslide" and that people equipped with "honesty and dedication" must act quickly.

Prime Minister Olszewski, as RdR members still call him, said that the "ideological framework and political stream" that are now being formed should in fact have been formed years ago. "Our long struggle led to victory, but as soon as we held this victory it was snatched away from us," he said. He said from the 1950's onwards, the Polish "opposition movement" consisted of not just a basic independence-minded stream, but also a clear "stream of dissidents," people disenchanted with the communist system and previously linked to it. Both these streams struggled together, Olszewski claimed, but in the middle of the 1980's one of them opted for socialist-like changes, and this is what gave rise to the idea of holding the "roundtable" talks. Olszewski stressed that he was not shunning responsibility for participating in these talks (as an expert).

He said that, at the "roundtable" talks, he never had the impression he was dealing with a plot (drawn up at the preceding Magdalenka talks), but felt that he was attending a meeting of a family "that had been quarreling for a long time but is now patching up its differences."

Olszewski said that after three years of reform, only 10-12 percent of society feels it has gained any advantages from it, and most of those who think so used to belong to the power elite. "A new statehood had emerged in place of the old People's Republic," he said. "Its formal name might be the 'Republic of Poland,' but in fact it is a postcommunist structure."

He said he was giving up Walesa as a symbol of Solidarity because as president, Walesa vetoed the idea of depriving former Security Service and intelligence employees of their privileged pensions. Members of the audience reacted to this statement with a round of applause.

Olszewski claimed that the "communist backslide" in Poland may assume a form similar to the one in Lithuania. "If elections are held earlier, the communist electorate will rally together and ensure communism's victory." More probable, however, is a "recommunization by installments, a process already quite advanced thanks to efforts to introduce authoritarian rule," said Olszewski. "It is not power we want, but a plan for Poland, in order to spare it the expense of settling conflicts out in the streets. We will not abandon this road."

Dr. Dariusz Grabowski said that the RdR's assessment of the economic situation differs from that of the government's. This situation is deteriorating, as illustrated by the collapse in the standard of living, which could lead to uncontrolled social unrest and a collapse of the reform.

The next RdR conference is scheduled for the end of February/beginning of March, and will prepare for the RdR congress. Olszewski claims that the RdR has between 5,000 and 10,000 members.

Clinton Expected To Grant MFN Status to Romania

AU2701122693 Bucharest ADEVARUL in Romanian 20 Jan 93 p 8

[Article by Bogdan Chirieac: "Romania and Most-Favored-Nation Status"]

[Text] The change of guard at the White House has a specific connotation for the Romanians. It is certain that the new administration will put an end to what was called the "obsession of the most-favored-nation [MFN] status."

Initially, the former administration of Republican George Bush clearly opposed the granting of this preferential economic status to Romania, which minimized our country's steps toward reform and democracy. This attitude was pretty hard to explain, all the more so as countries that are certainly not at a more advanced stage on their road to democracy, such as Mongolia, Russia, Tajikistan, and others, have obtained this status. The Bush administration's change of attitude in this respect took place belatedly and at an unsuitable moment for Romania. In September 1992, after the first round of elections in Romania, but before the elections in the United States, the White House recommended that Congress should grant the status to Romania. Then there followed complicated behind-the-scenes maneuvers under the dome of the Capitol, which ended up with the rejection of this status for Romania. On the one hand, the Congress, dominated by Democrats, taught Bush a lesson. Just one week beforehand, to spite the legislative branch, President Bush had made use of his right of veto to prevent strings being attached to the granting of MFN status to China. Then, on the other hand, the anti-Romanian lobby led by the controversial Congressman Tom Lantos also had a contribution to make to the decision. An ad-hoc committee also had its hand in play, a committee that claimed to work on behalf of the Democratic Convention of Romania, but which has been disavowed in the meantime by the Convention.

Meanwhile, things evolved. The democratic changes in Romania have become too obvious to be easily overlooked. The vote in the Congress rallied the Romanian diaspora in the United States around certain figures of great renown, such as Doctor Emil Palade, and a Romanian lobby in favor of the MFN status has crystallized. On the other hand, all the parties in Romania, including the opposition ones, are currently pleading for MFN status.

In practical terms, with the arrival of Democrat Clinton at the White House, the Congress will probably grant MFN status to Romania without any difficulty at all. Even if Bush had won the elections, the vote in the Congress would have still been favorable. However, as far as Romanians are concerned, Bush will remain—rightly or not—the president who refused MFN status, while Clinton will be the president who granted it.

Relations With New U.S. Administration Viewed

AU2701062093 Bucharest ROMPRES in English 1326 GMT 26 Jan 93

[Text] Bucharest, ROMPRES 26/1/1993—Answering the ROMPRES question: "What are the prospects of Romanian-American relations under the Clinton administration," Oliviu Gherman, president of the Senate, said: "I think Romanian-American links under the Clinton administration will follow a positive course. However, the improvement of these relations depends on the change and objectivization of Romania's image perceived from now on on the level of the new U.S. Administration. Unfortunately, despite the efforts of the United State's Embassy in Bucharest to relay fair information about our country and to give a correct image of the political and economic situation here, there is an extensive disinformation programme, which reaches the highest levels in the U.S. Administration. If the information the new U.S. leadership gets is accurate then I believe the Clinton administration will consider that the time has come for Romania to be treated as a partner of the importance it deserves in this geographic and economic part of Europe.

"I hope that a first measure of the newly-elected U.S. Congress will be that of granting Romania the most-favored-nation clause, which meets the real situation in this country."

Answering the same question, Ioan Lup, vice president of the Senate and one of the leaders of the Christian and Democratic National Peasant Party, the main party within the Democratic Convention of Romania, said: "The newly-elected U.S. President will be in a position to assess Romania's strategic importance and reconsider a people that made and is still making a political buffer between dictatorial tendencies and Christian-Democratic doctrines.

"Consequently, the future ties between the U.S. and Romania will improve if we the Romanians are going to observe the pledge of instituting true democracy in our country."

In his turn, Ion Coja, senator for the Agrarian Democratic Party, said: "I hope President Clinton will understand how great the Americans' interest in fine relations with Romania is. We lie between the Adriatic and the Black Sea, we are the most important people in all respects. Furthermore, owing to political traditions, Romania is the closest to democracy and has chances to become the most important 'layer' of culture, democracy, and civilization in this space of confluence between the East and the West, the North and the South."

Yugoslav Barges Said To Leave Braila Illegally

AU2601190793 Bucharest ROMPRES in English 1829 GMT 26 Jan 93

[Text] Bucharest, ROMPRES 26/1/1993—Monday, 25 January, the convoy having pusher Kumanovo at the rear and consisting of 12 barges loaded with petrol set sail from the Romanian port of Braila abandoning their documents with the port authority and breaking Romanian laws.

A press release of the Romanian Ministry of Transport informs that the convoy was summoned to stop by a frontier patrol but failed to comply.

Tuesday, 26 January, at 0703 local time the convoy was passing Hirsova heading for Yugoslavia.

Embargo Violations Discussed

AU2601203593 Bucharest Radio Romania Network in Romanian 2000 GMT 26 Jan 93

[Text] Romanian President Mr. Ion Iliescu met tonight at Cotroceni Palace with Prime Minister Nicolae Vacaroiu, Foreign Minister Teodor Melescanu, Minister of Transport Paul Teodoru, and General Gheorghe Carp, secretary of state, at the Ministry of Interior. According to presidential spokesman Mr. Traian Chebeleu, the subject of this discussion was the newly created situation in the wake of the flagrant violation of the embargo against Yugoslavia by vessels belonging to that country. On this occasion, it was decided that the government should take urgent measures, in view of obligations incumbent upon Romania from the relevant UN Security Council resolution.

It was also decided that diplomatic contacts should be established—through the Ministry of Foreign Affairs—with the authorities in Yugoslavia and Serbia, as well as with the Bulgarian Government regarding cooperation steps to ensure the observation of the embargo by these vessels. Further steps will be taken at the Security Council and Sanctions Committee to ensure the adoption of appropriate measures by the United Nations and the international community interested in the observation of the embargo. Likewise, contacts will also be established with the countries that are the source of the cargoes of the respective vessels to strictly observe the embargo.

Our correspondent told us that a substantial statement on Romania's position vis-a-vis these violations will be released at tomorrow's meeting of the executive.

Melescanu, German Delegate Discuss Cooperation

AU2701061493 Bucharest ROMPRES in English 1439 GMT 26 Jan 93

[Text] Bucharest, ROMPRES 26/1/1993—Teodor Melescanu, minister of state, minister of foreign affairs of Romania, received on Tuesday, January 26, Fritz Pirkl, president of the German Hans Seidel Foundation.

Problems were approached related to the fundamental targets of the foundation and aspects were discussed of Danubian cooperation, with emphasis on Romania's role in the area. As for the latter theme, the Romanian foreign minister showed that the ensurance of stability in Romania, which, implicitly, means the ensurance of stability in the area, was one of the priorities of the Romanian Government.

In his turn, the president of the Hans Seidel Foundation said that to attain the fundamental target of that foundation, that is support to Romania by granting technical assistance in several areas of activity, cooperation was needed with all the political forces in the Romanian Parliament.

Poland's Skubiszewski Comments on Treaty; Departs

AU2601194693 Bucharest ROMPRES in English 1841 GMT 26 Jan 93

[Text] Bucharest, ROMPRES 26/11/1993—"We appreciate the signing of the Treaty of Cooperation and Friendship Between Poland and Romania as most important," Poland's Foreign Minister Krysztof Skubiszewski told Romanian and foreign press at the close of his visit in Romania. He deemed that both Poland and Romania could contribute to stabilising the political situation in their geographical areas.

Speaking of the post-1989 evolution of the Polish-Romanian relations, the Polish foreign minister admitted they somehow fell behind, which, he said, was characteristic of the relations between all the former East-bloc countries.

At the moment, the Polish visitor said, we are trying to rebuild these relations starting from the very important role the cooperation between private entrepreneurs in both countries could play.

Relative to comments in the Romanian press which "overstepped the problems appeared in our bilateral relations, neglecting real facts," the chief of the Polish diplomacy maintained "one could not speak of a collapse of the relations between Poland and Romania," and expressed his satisfaction for the talks in Bucharest, for the realistic approach of the Romanian politicians relative to the present situation and the prospects of the Polish-Romanian relations. Speaking of the meeting he had with ethnic Poles in Romania, at the seat of Poland's Embassy in Bucharest, the Polish foreign minister found it as most interesting and eloquent for the tremendous change for the better of the Polish minority in Romania after the revolution of December 1989, who have now favourable conditions to reestablish their ethnic organisation.

Tuesday [26 January] afternoon Poland's Foreign Minister Krysztof Skubiszewski left Bucharest.

Iliescu Meets With NATO Ambassadors

AU2601194393 Bucharest ROMPRES in English 1849 GMT 26 Jan 93

[Text] Bucharest, ROMPRES 26/1/1993—Tuesday afternoon, 26 January, President Ion Iliescu attended a lunch given by the ambassadors of NATO countries to Bucharest at the residence of the German ambassador.

The formal meeting turned into a working session as a preamble to the visit President Iliescu is to pay to NATO headquarters next month. He and his guests exchanged views on the latest political developments, with a stress on the Yugoslav conflict. President Iliescu presented his assessments of the present international situation, the position of Romania and its relations with NATO.

Iliescu, Melescanu Meet With Dutch Defense Minister

AU2701115493 Bucharest ROMPRES in English 1036 GMT 27 Jan 93

[Text] Bucharest, ROMPRES 27/1/1993—Romania's President Ion Iliescu received Tuesday, 26 January, Relus L. ter Beek, the Dutch minister of defense. Attending were Romanian Defense Minister Lieutenant General Niculae Spiroiu, General Vasile Ionel and Traian Chebeleu, counselors to the president.

The sides approached matters regarding defense and security as a whole, starting from the new cooperation conditions permitted by the collapse of the ideological, political and military barriers, that only a few years ago would have made any communication impossible.

The visit to Romania of the Dutch defense minister was assessed by President Iliescu as a good omen, which opened new cooperation prospects between the two countries, in the defense sector as well, both bilaterally and multilaterally through the North Atlantic Cooperation Council. The Netherlands' minister of defense was interested in having President Iliescu's assessment of the political situation in Romania and of the developments in Romania's geographical area.

Teodor Melescanu, Romania's minister of foreign affairs, minister of state, met Wednesday, January 27, Relus ter Beek, defense minister of the Netherlands, currently in Bucharest. The two tackled issues related to the new European security structure, to the role of CSCE, NATO, WEU, subregional structures and bilateral cooperation, the United Nations peace keeping role. Another item on the agenda was the cooperation between Romania and the Netherlands in the political and military field, considering that the Romanian and the Dutch ministers of defense are going to sign an agreement of economic cooperation in Bucharest.

The two ministers reviewed the situation in Yugoslavia, including issues related to the observance of the embargo imposed by the United States Security Council to this country.

Spiroiu Assesses Talks

AU2701115793 Bucharest ROMPRES in English 1107 GMT 27 Jan 93

[Text] Bucharest, ROMPRES, 27/1/1993—In a statement made to the ROMPRES news agency, Nicolae Spiroiu, Romania's defense minister, showed that, during the visit paid to Romania by his Dutch counterpart, Relus ter Beek, the two had "an exchange of information on matters concerning both armies."

"Issues regarding security and cooperation in Europe were discussed together with my Dutch colleague. Of course, we have taken into consideration developments in Yugoslavia, in Transdniestria, the consequences of ex-Soviet Union's falling apart, that is all issues which at this very moment are generating premises for a potential conflict within the Balkans.

"We both agreed on speeding up cooperation regarding European security, which would enable the existing structures to more efficiently analyze the present crisis or the potential ones", said the Romanian defense minister.

"The protocol to be signed on Wednesday [27 January] will lay the foundation for our future collaboration, which is to start in domains like education and training, and with further agreed domains, which will enable us to act according to the accords concluded within the structures meant to ensure general security in Europe," said Mr. Spiroiu.

Vacaroiu, Beek View Reform

AU2601213093 Bucharest ROMPRES in English 1927 GMT 26 Jan 93

[Text] Bucharest, ROMPRES 26/1/1993—Dutch Defense Minister Aurelius Louis ter Beek was received Tuesday, January 26, by Romanian Prime Minister Nicolae Vacaroiu.

Mainly discussed was the stage of the reform, the current rhythm of privatisation in Romania, as well as the intentions of the Romanian Government for the following period. The guests evinced a particular interest for the economic and social priorities of the current government, and the Romanian premier pointed out that Romania hoped to achieve a competitive market economy over a period of 8-10 years and showed that the moment the national currency would become convertible, one could say that market economy was in.

The interview was attended by Defense Minister Niculae Spiroiu and the Dutch ambassador to Bucharest.

Spiroiu, Albania's Zhulali Discuss Cooperation

AU2701084193 Tirana Radio Tirana Network in Albanian 1430 GMT 26 Jan 93

[Text] On his way to Hungary, Albanian Defense Minister Safet Zhulali stopped over in Bucharest on 25 January to meet his Romanian counterpart, Lieutenant General Nicolae Spiroiu. Both analyzed the state of the relations between the armies of both countries in the spirit of understanding on military cooperation between the Albanian and Romanian Defense Ministries, on the basis of the agreement signed in Bucharest on 7 October 1992.

Melescanu, UDMR Discuss Ties With Hungary

AU2701085093 Bucharest Radio Romania Network in Romanian 1800 GMT 26 Jan 93

[Text] Romanian Foreign Minister Teodor Melescanu met with representatives of the Democratic Union of Hungarians in Romania [UDMR], including UDMR's new president, Mr. Bela Marko, Mr. Senator Attila Verestoy, and Mr. Gyorgy Tokay, representative in the Assembly of Deputies. The meeting is part and parcel of the system of consultations which the Ministry of Foreign Affairs is periodically holding with members of various political parties represented in Parliament, in order to discuss matters of interest to Romania's foreign policy. According to our diplomatic correspondent, the sides discussed issues pertaining to the granting of the most-favored-nation [MFN] status to Romania, our country's efforts to join the Council of Europe as a fully fledged member, and Romania's ties with Hungary.

Parliament Decides on Council of Europe Delegation

AU2701060993 Bucharest ROMPRES in English 1531 GMT 26 Jan 93

[Text] Bucharest, ROMPRES 26/1/1993—After heated debates abundant in biting remarks and sharp retorts between the representatives of all parliamentary groups, the two houses of Parliament decided, in their Tuesday, 26 January common session, the membership of the Romanian parliamentary delegation to the Parliamentary Assembly of the Council of Europe, adopting, by vote, the procedure of confirming the delegation as a whole. Consequently, all the ten nominees were elected to the delegation, including much contended Senator Adrian Paunescu (Socialist Labor Party—PSM) and Deputy Iuliu Ioan Furo (Greater Romania Party—PRM), whose nomination had aroused a wave of protests. Head of the delegation is Florea Dudita, member of the Democratic National Salvation Front (FDSN), the party that won the September 1992 elections.

After the vote was known, Senator Paunescu stated that should any objective reasons be found as recommending his presence in the delegation as detrimental to Romania's image and interests abroad, he would be ready to stay away from the delegation, at least for the first session of the European Parliament, due to commence on 1 February.

The Romanian parliamentary delegation consists of three representatives of the FDSN, and one of each of the following parties: National Peasant Christian Democratic Party (PNTCD), National Salvation Front (FSN), Romanian National Unity Party (PUNR), Democratic Union of Hungarians in Romania (UDMR), Socialist Labor Party (PSM), Greater Romania Party (PRM) and the ethnic minorities, others than the Hungarian one.

Mihai's Message on Union Anniversary Reported

AU2701085693 Bucharest ROMANIA LIBERA in Romanian 23-24 Jan p 1

["Message to the Country From His Majesty King Mihai" on 134th anniversary of the union of the Principalities of Moldova and Wallachia on 24 January 1859"]

[Text] The union of the Principalities arose from the historic reality of the community of language, culture, and faith of a people whom the imperial powers were interested in keeping apart, so as to be able to dominate it. However, in order for the Romanians' profound community of spirit and destiny to be able to turn into the political union of 1859—which became the foundation of the creation of the modern Romanian state—it was first of all necessary to achieve the concrete union of will and action of the Romanians of all categories and political opinions.

Throughout our history, at difficult and decisive moments, the Romanians were able to overcome all differences and display high solidarity.

I am convinced that the Romanians—regardless of their political leanings and the uniforms they wore in the past—will prove once again, at a time of full post-totalitarian crisis, that they can subordinate themselves to the great national interests.
Mihai

Iliescu, Bank Executives Discuss State of Economy

AU2601194893 Bucharest ROMPRES in English 1827 GMT 26 Jan 93

[Text] Bucharest, ROMPRES 26/1/1993—Only a few days after the talks he had had with the management of the National Bank of Romania, President Ion Iliescu had Tuesday, 26 January, a meeting at the Cotroceni Palace with representatives of the banking system in Romania.

On the occasion, the president was eager to hear the opinions of state bank managements on the present state of the Romanian economy, on the concept of economic relaunching, and on the measures they think should be taken to harmonise bank and government policies so as to overcome the present economic crisis.

Present at the interview were the managers of the National Bank of Romania (BNR) as monetary authority in Romania, and of the main state banks: the Romanian Bank for Foreign Trade (BRCE), the Commercial Bank of Romania (BCR), the Romanian Bank for Development (BRD), and the Agricultural Bank (BA).

After the meeting at Cotroceni, National Bank Governor Mugur Isarescu said the talks brought to prominence the two major tasks banks should focus their attention on: profitability, pursuing efficiency at the level of the entire Romanian economy, and macroeconomic balance, mainly with respect to external balance, which is so difficult to attain.

Government Meets; Accuses Croats of 'Genocide'

LD2601193293 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1800 GMT 26 Jan 93

[Text] At its session today, the Government of the Republic of Bosnia-Hercegovina discussed the military and political situation in the country and the state of relations between the states of Bosnia-Hercegovina and Croatia. The following conclusions, among others, were reached at the session:

A blase attitude [by Croatia] to the military and political situation in the Republic of Bosnia-Hercegovina and, in particular, to the implemention of a friendship treaty between the Republic of Bosnia-Hercegovina and the Republic of Croatia has seriously jeopardized the struggle to defend the sovereignty of the Republic of Bosnia-Hercegovina. An attack by the Croatian Defense Council [HVO] on Prozor in 1992 was carried out with the help and participation of the forces of the Republic of Croatia and, according to reports available now, its outcome was a genocide.

In view of the fact that the military and political situation in parts of the republic where HVO units are deployed is deteriorating, thus seriously threatening the strategic framework for defending the republic, the government reached the following conclusions:

—To ask the government of the Republic of Croatia to take part in an interstate commission with the task of setting up an inquiry into the events in Prozor to establish if claims that the forces of the Republic of Croatia took part in them are genuine and to propose measures to be taken against those responsible for the genocide. Under the government proposal, Stjepan Siber, Petar Petric. and Mujib Bisic would be the government's representatives at the commission;

—At the level of government representatives to discuss the existing difficulties in implementing agreements and treaties reached so far;

—To set up a governmental commission to examine the events in Prozor and to submit a relevant report to the Government of Bosnia-Hercegovina;

—The Ministry of Defense will be asked in cooperation with relevant ministries to draw up a report on who comprises the HVO supreme command and what its constitutional duties are.

The Government of the Republic of Bosnia-Hercegovina wishes to again inform the world and domestic public that in the future, it will be prepared to take part in the search for peaceful and honorable solutions to curbing the aggression against Bosnia-Hercegovina with international guarantees, but that it will never allow anyone to occupy its territories or divide its state.

The above conclusions, as well as reports about mobilization in the Republic of Bosnia-Hercegovina, will be submitted to the Presidency of the Republic to enable it to set in motion appropriate activities in its capacities as supreme commander and the republic's assembly.

Minister Views Muslim-Croatian Relations

AU2601121893 Zagreb VECERNJI LIST (SFZ) in Serbo-Croatian 21 Jan 93 p 8

[Interview with Bozo Raic, defense minister of Bosnia-Hercegovina, by Ljuba Djikic; place and date not given: "Muslims Do Not Want Geneva Negotiations"]

[Text] [Djikic] Mr. Raic, how much Bosnian territory is under your authority, and on how much of it are you able to control in order to perform your duties?

[Raic] The authority of the Ministry of Defense, and of the minister himself, is not so great at the moment, which needs no further explanation. However, I and my aides intend to create a ministry that responds to the standards and needs of a sovereign state. My perception, although incomplete, tells me that the present ministry is considered to be more like a government office of the lowest order, an extension of the General Staff of the Bosnian Army, and the ministry must not and cannot be that.

[Djikic] Do the Geneva negotiations point to a joint army and defense in discussing the future constitution of Bosnia-Hercegovina?

[Raic] According to the proposals, the future Bosnia-Hercegovina should have no army. It will be absolutely demilitarized, and in view of the high army budget, that is a major advantage. Instead of financing an army, we can restore and further develop our economy. When I think of my post, I can say that, if I remain minister, I will have the honor of abolishing my own army.

[Djikic] How has the order been administered for the Croatian Defense Council [HVO] to subordinate itself in certain Muslim provinces to the Bosnian Army command, and vice versa?

[Raic] Representatives of the General Staff of the HVO have stated that they would unconditionally obey the following order: In provinces 1, 5, and 9, units of the HVO should submit themselves to the General Staff of the Bosnian Army, and in provinces 3, 8, and 10, units of the Bosnian Army should be under the command of the General Staff of the HVO. However, you have probably heard that Izetbegovic has refused such a possibility, and so has Sefer Halilovic, chief of the General Staff of the Bosnian Army, and unless there is some significant change in Sarajevo, the Bosnian Army will not obey the order.

As for the Serbian Army in Bosnia-Hercegovina, I believe that after the parliamentary session in Pale, and the probable acceptance of the Geneva options, it will be ready gradually to obey the command.

Izetbegovic Did Not Understand

[Djikic] The order states that the commanders of all three armies should regularly submit reports to you, as Defense Minister, and that each of those armies withdraw into, as it were, their provinces.

[Raic] I was sure that the HVO would unconditionally carry it out, and I thought the same of the Bosnian Army, though I knew that to expect the Serbian Army do so, even partly, would not be realistic. Frankly, I did not expect the Bosnian Army to oppose the plan so strongly, since it is, after all, only an implementation of the Geneva agreement. It is really strange that the Bosnian Army does not realize the particular effect of that order. Each Army should withdraw to their "own" provinces, which means that the Serbian Army, still attacking sovereign Bosnia-Hercegovina, should unconditionally withdraw as well. However, in politics sometimes even a short time is enough to bring about considerable changes, and I deeply believe that, if not before, than after this round of Geneva negotiations, everything will be different and based on new principles.

There are several reasons why I gave such an order: I wanted there to be at least a small bit of peace. I thought that the ministry would be obliged to do so, even though it is unacceptable at the present moment to cede the entire territory and everything happening there to a single concern—the state of Bosnia-Hercegovina as it is, and as it is possible. On the other hand, I think it is important that I, as a Bosnian Croat, should say that we Croats recognize Bosnia-Hercegovina. I want to restore the extinguished state functions—the Presidency, the government, and the Defense Ministry, to show people that defense, as a state function, has been effective again. And finally, I wanted to score some extra points before the negotiations start again, to provide extra grounds for the mediators, to pin down the armies in Bosnia-Hercegovina in one single place for negotiations and decision making. That is to say, to predetermine the final agreement. Everything was well-intentioned, and also approved by Prime Minister Akmadzic. We wanted to remove the possible troublemakers, so it is very strange that Izetbegovic, and at the least, Halilovic did not understand that.

Clashes—A Deliberate Policy

[Djikic] What is the cause of the clashes between the Bosnian Army and the HVO in Gornji Vakuf?

[Raic] When we try to distinguish the causes and reasons for those clashes, we must try not to be trapped into generalizations, so we do not speak of conflicts between the Muslim and the Croatian people, for it is not so. We also do not want to classify those clashes as organized activities. We would rather interpret them as the actions of Muslim extremists and infiltrators from the Intelligence Service of the Yugoslav Army [KOS]. The extremists commit devastating actions, and the KOS people spread fear and distrust, and exaggerate certain discords that are not as serious as they appear. However, the recent events in Gornji Vakuf have shown that, apart from these two destructive elements in the Bosnian Army, activities there have been politically motivated. The commands of the General Staff and Izetbegovic's recent statements undoubtedly imply that the Party of Democratic Action as a political body is playing the main role, and that the clashes have been engineered so as to undermine the Geneva negotiations, at least to devalue, if not cancel out, the achievements there, which are recognized by the Croatian people, and to try, for the last time and even forcefully, to establish a civil, unitarian, and centralized state. Although we presupposed and hoped that it was to do with extremism, now we must say that it is actually politically organized and engineered. It is about the struggle for territory, and about undermining the Vance and Owen plan. Although there is no political wisdom in these actions, they are a reality, and one has to deal with them appropriately.

The Croats Are Not Fully Satisfied

[Djikic] President of the Croatian Community of Herceg-Bosnia Mate Boban has invited Izetbegovic to Split for an urgent meeting, and Lord Owen has offered to join them as well. Do you think that this meeting might put an end to the clashes?

[Raic] It is difficult to determine whether Izetbegovic has the necessary political influence to compel the Bosnian Army to act in a certain way. I believe that he has a dominant influence. I know for sure that Boban as commander in chief of the HVO has the political power to control and command HVO units. If there is a will, there is a way—as far as the HVO is concerned. However, everything depends on Izetbegovic's readiness to call for peace, to order a cease-fire, and demand that the Bosnian Army recognizes political decisions made by Boban, Izetbegovic, and Karadzic at their direct meetings, as well as within the Geneva conference. However, if one should stick to untenable and politically unreasonable demands regarding the constitution of Bosnia-Hercegovina, then clashes can be stopped only temporarily, and they will frequently flare up again.

[Djikic] In the future course of the Geneva negotiations one can expect the acceptance of a proposed map with a territorial framework for Bosnia-Hercegovina. Can this division be accomplished without fighting, and to what extent have the present clashes been caused by the proposed map?

[Raic] I do not think that the proposed division of Bosnia-Hercegovina into provinces is the cause of clashes. They emerge out of different political views, which sometimes can and sometimes cannot be worked into political solutions. We would be insincere if we, the representatives of the Croats, said that we are fully satisfied with the proposed solutions. However, we are only one of three parties concerned, and we know that the solution cannot be designed to reflect Croatian concerns only. Every faction must regard the proposals in the light of the fact that there are also other two factions there, and that there are also well-developed international diplomatic standards. We are not dealing with details here, a tiny point here and there, we are handling the general direction—whether to be for or against the plan. If the representatives of all three constituent peoples of Bosnia-Hercegovina are truly in favor of the proposed solutions, then everything else is a matter of technical implementation, more or less painful, but soluable.

[Djikic] Would you like to add anything else?

[Raic] As a human being and as defense minister, I would appeal to human reason and the conscience of all those who can help to halt the war in Bosnia-Hercegovina. My message for the soldiers is to halt the fighting, and submit themselves to their political leaderships, and for the leaderships the message is to order their armies' withdrawals. Politicians have finally to sit down round the table and stay there until they agree. Today's order issued by Boban supports what I have just said. I expect that other two parties will issue similar orders.

[Box, p 8]

Izetbegovic's Heavy Words

[Djikic] How would you comment on Izetbegovic calling upon the EC to stop and condemn the "new aggression" on Bosnia-Hercegovina, and his statement accusing Croatia of interference in the internal affairs of Bosnia-Hercegovina?

[Raic] Izetbegovic's statement, if it has been correctly reported, is very serious, and one ought to have the moral and political strength to explain it and justify it. It may cause serious complications in relations between Muslims and Croats in Bosnia-Hercegovina, as well as with Croatia. That accusation, if it were true, might cause immense consequences. Therefore I have the impression that Izetbegovic made this statement in a moment of political agitation. However, if he sticks to such a view, the relations between Croatia and Bosnia-Hercegovina, and between Croats and Muslims in Herceg-Bosnia alike, will take another course.

Muslim-Croat Clashes in Sarajevo Suburbs Reported

AU2601180993

[Editorial Report] Belgrade Radio Beograd Network in Serbo-Croatian on 26 January within its 45-minute newscast carries several reports on the fighting in Bosnia-Hercegovina.

Miodrag Negovanovic reports from Bratunac on "fierce fire from Glogova and the Budak hill above Potocari. The Bratunac Brigade fighters are responding to the Muslims, thereby telling them that they will defend Bratunac and the territory of the Serbian commune."

Ratomir Milovic reports on "heavy battles in the trenches waged in the Lim Canyon today as well."

Risto Djogo reports on "showdowns between Muslim and Croat units in the greater Sarajevo area. As Bosnia-Hercegovina radio, which is under full Muslim control, reports, a clash between the Croatian Defense Council forces and Muslim units took place around Busovaca and Kiseljak. Vance and Owen planned these two communes to belong to Sarajevo, although they have a majority Croatian population."

Vlado Trisic reports from the Majevica area on "Serbian civilian targets in the greater Lopare area being shelled from the upper Tuzla region again at about 1100. Serbian positions at Jablanica were also shelled from the same direction. Also about 1100, new artillery attacks began in the Banj Brdo region east of Tuzla."

Bosko Lomovic reports from Brcko on "Green Berets in Satorovici and Donje Dubravice pounding Serbian positions in Mrkvica and Gornje Dubravice with mortars and machine guns. Muslim fire from Lipovac and the Pheasant Farm has been pounding the western suburbs of Brcko and the neighboring villages of Suljagica Sokak, Rijeke, Pljostara, Ivakovici, and Sekulici since this morning."

Jelena Dabarcic reports from Hercegovina that the fiercest fighting was in the Mostar section of the battlefield, where Brstanik, Vranjevici, and the villages at the foot of the Velez Mountain are the targets of Croatian mortars and guns from the Neretva valley. The greater Bancici area in the Ljubinje Commune between Capljina and Stolac is also under mortar fire."

Serbs Regain Territory in Eastern Bosnia

LD2601125693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1135 GMT 26 Jan 93

[Excerpts] Belgrade, Skelani, Bajina Basta, 26 Jan (TANJUG)—It was quiet overnight and this morning in the area around Skelani on the Bosnian side of the Drina River.

Pero Janjic, deputy commander of the Skelani Army brigade of the Serb Republic of Bosnia-Hercegovina, told TANJUG that the town was no longer within the range of Muslim infantry fire.

Forces loyal to Bosnian President Alija Izetbegovic have been pushed back north of the Drina River's right bank so that the most forward line of conflict now lies 5 km northwest of Skelani in the region of Kusici village where battles were still in progress this morning. The Skelani brigade command refused to say anything about the outcome of these battles. A section of the Serb Republic Army engaged in a counterattack in another direction is within the reach of Jezero hill, Janjic said. [passage omitted]

Ljubisa Dikovic, commander of the Bajina Basta-based border unit of the Yugoslav Army, told TANJUG by phone that Muslim formations continued to fire at the left bank of the Drina River in Yugoslavia overnight. Throughout the night Muslim forces fired from machine guns and infantry weapons on the area near the Perucac hydro-electric power plant. According to Dikovic, his border units returned fire. The Muslim fire came for the region of the villages of Gradina, Kusici, Jezero, and Osatica, several kilometers north of the river bank.

Muslim Offensive on Croat Villages Leaves 17 Dead

LD2601191693 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 26 Jan 93

[Text] The vice president of the Croat community of Herceg-Bosnia, Dario Kortic, told HINA today that a large-scale offensive is under way by Muslim extremists on Croat villages in the Busovaca municipality.

A total of 17 members of the Croat Defense Council [HVO] and civilians were killed and 20 wounded so far in attacks launched by Muslim extremists. In the town of Busovaca, HVO captured scores of Muslim snipers, who are being treated well. An offer has been made to exchange the captured Muslims for 16 HVO members, who were captured near Fojnica and Busovaca by Muslim extremists.

General Morillon, who came to see what is happening in the Busovaca area, visited Dario Kortic today. He was shown written and sealed orders given by Muslim commanders. It was suggested to Gen. Morillon that he could broker an exchange of 16 HVO soldiers for the captured Muslim snipers. Following a half-hour visit to Busovaca, Gen. Morillon left for Zenica, where he will visit the Command of the Third Corps of the Bosnia-Hercegovina Army.

Russians Reportedly Helping Bosnian Serbs

LD2601203993 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1800 GMT 26 Jan 93

[Text] According to the Press Center of the Bosnia-Hercegovina Army, about 200 Russians helped Chetniks in battles on the Zuc hill. A number of Ukrainians are currently in Ilidza. A unit consisting of 600 Russians is deployed in Kalinovik. A total of 17 Russian commandos, who were immediately transferred to crisis areas near Srebrenica, arrived in Zvornik recently.

According to reports from Gornji Vakuf, Tesanj, Srebrenica, Visegrad, Maglaj, Zvornik, Olovo, Tuzla, Travnik, and Sarajevo, 26 people were killed and 90 wounded in the past 24 hours. Out of this number, six people were killed and 31 wounded in Sarajevo.

Muslims Attack Croatian Part of Gornji Vakuf

LD2601223993 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 26 Jan 93

[Report by Slavko Rako from Hercegovina for Croatian Radio]

[Excerpt] The press center of the Croatian Defense Council in Gornji Vakuf issued a statement this evening saying that Muslim formations carried out an infantry attack on the Croatian parts of the village of Bistrica. Apart from that, Gornji Vakuf was peaceful today. There was sporadic sniper fire, which injured two Croats.

[Word indistinct] control points have been set up. They are manned by two members each of the Croatian Defense Council and the Bosnia-Hercegovina Army, plus an armored personnel carrier of the UN Protection Force [UNPROFOR].

At a news conference in Mostar today, it was intimated that Muslim forces in central Bosnia may launch an attack. Veso Vegar, spokesman of the Croatian Defense Council's defense department, informed the public about attacks on the Croatian Defense Council's military police formations in Busovaca municipality over the past few days. He also said that thus far 36 Croats have been killed and 70 injured, primarily by Muslim sniper fire, in Gornji Vakuf clashes.

Mostar has been peaceful today, apart from an attack at about 1530 when several shells landed on the town. The Serb aggressor engaged in provocations along all defense lines; there have been no casualties.

Muslim 'Brutal Aggression' Reported

LD2601224093 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 26 Jan 93

[Text] Dramatic reports are coming from central Bosnia. In his report sent to the headquarters of the Croatian Defense Council [HVO], Dario Kordic, vice president of the Croatian Community of Herceg-Bosnia, says that Muslim formations are carrying on with their brutal aggression from the direction of Zenica and toward Busovaca, Vitez, Travnik, New Travnik, and Kiseljak in order to completely destroy the HVO and the Croatian people in central Bosnia.

Kordic reports that the Muslim forces have abandoned their frontline against the Serbian aggressor and set off for central Bosnia to settle accounts with the Croats. Five mountain brigades have been sent to Busovaca alone. The town itself is being pounded from every direction. The forces of Muslim extremism are torching everything in their wake while massacring civilians. The most prominent of those engaged in these actions are the mujahedin of the so-called Green Legion and other extremists, the report states.

In the mixed village of Dusina, all Croat-owned houses have been burned down while the elderly, women, and children are being slaughtered. There are no reports yet about the number of casualties, Kordic reports.

Despite this, Bosnia-Hercegovina's media controlled by the Bosnia-Hercegovina Army are waging a ruthless campaign against HVO formations, accusing them of doing what formations of the Bosnia-Hercegovina Army are doing.

'Chetniks' Shell Sarajevo With Helicopters, Chemicals

AU2701105493

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian on 27 January carries in its regular 20-minute newscast several reports on the continuing fighting in the country.

Reporting from Sarajevo, Sabaheta Mahic says that "since the early hours of the morning, the Chetniks have bombarded Sarajevo with all the artillery they have. The worst situation is in Novo Sarajevo and Dobrinja. From 0615 to 0630, the Chetniks pounded Velesici, Brijesce, Hrasno Hill and Gornji Pofalici with multiple rocket-launchers. Since 0900, shells have been landing on Dolac Malta and in Marko Marulic Street. At the moment, Hrasno Hill and Trg Heroja [formerly Pero Kosoric Square] are under shelling. Chetnik tanks and multiple rocket-launchers from Gavric Brdo and Lukavica have been firing at Dobrinja. There is fire from antiaircraft guns and machine guns and infantry weapons. Explosions can still be heard coming from Mojmilo, which has been under fire since 0800."

In his report from the Sarajevo district of Dobrinja, Zdravko Lipovac reports that "Dobrinja was woken up by fierce explosions this morning. The worst shelling took place between 0700 and 0800, but it is still going on, as you can hear in the background."

The Vogosca Press Center reports that "after a relatively calm night, this morning the Chetniks attacked our defense positions with heavy artillery. They used 155-mm and 203-mm howitzers, multiple rocket launchers, tanks, and recoilless guns to pound Mojkica Brdo, Ugorsko, Kobilja Glava, Hotonj and Grahovica. The Chetniks also used chemical agents so we again warn the citizens to stick to the safety measures prescribed by general and chemical alarms. At the moment, fierce explosions can be heard from Kobilja Glava, Ugorsko and Hotonj."

The Gradacac Information Center reports that "the night was marked by sporadic enemy artillery fire. From their stronghold in Gornje Krecane, the Chetniks fired at Novalici. This has continued into the morning but is now accompanied with heavy fire from infantry weapons. New movements of vehicles have been spotted in the region of Slatina, Gajevo, (?Kolnica) and (?Crkvina), that is, on the territory of the occupied commune of Bosanski Samac. Over 50 flights by transport helicopters were observed during the night, while more have been registered this morning. They are flying on the route Duge Njive-Modrica-Skugric."

The Brcko Press Center reports that "the attack on the defensive positions and civilian targets in Dubravice Donje and [word indistinct] continued throughout the night. Our defenders have been keeping the enemy's offensive at bay for over 24 hours now." The report says that despite the ban on military flights over Bosnia-Hercegovina "the Serbian occupying forces are continuing to deploy aircraft in their act of aggression against our country. Late last night a big group of transport helicopters was spotted flying over the corridor of death."

Reporting from Tuzla on a very poor line, Enes Osmancevic says that "flights of enemy helicopters were spotted last night over Posavina and from [word indistinct] to Mount Majevica." He says that "this front is marked by the usual sporadic enemy provocations from infantry weapons and sporadic shelling."

In his report from Tesanj, Ramiz Brkic says that "it was a relatively quiet day yesterday. There was some provocative fire from infantry weapons overnight."

Hajrudin Sermic reports from Maglaj that "the almost totally destroyed old part of the town was again targeted by the Chetnik artillery overnight, while antiaircraft guns and machine guns fired at civilian targets."

According to Borka Rudic, reporting from Konjic, "last night was marked by renewed attacks from enemy artillery weapons on our defensive positions." She says that "from positions in Bijela and Borci, the aggressor last night launched a brief but destructive assault on the town center itself."

Shells 'Raining Down'

LD2701100193 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 27 Jan 93

[Report by Correspondent Zeljko Ruzicic from Sarajevo]

[Text] Shells from multiple rocket launchers, tanks, and mortars are literally raining down on Sarajevo this morning. The town is completely deserted. Any movement of citizens is impossible. Chetnik attacks are directed mainly against Hrasno Brdo and (Buljakov Potok). The security service center has not yet issued any reports officially confirming the number of casualties in this morning's attacks on Sarajevo, but it is certain that the sudden morning attack from almost all directions is causing many civilian casualties.

Serbian Air Force Denies Using Helicopters

LD2701155793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1423 GMT 27 Jan 93

[Text] Belgrade, 27 Jan (TANJUG)—The information service of the Air Force and Air Defense Command of the army of the Serb Republic today denied reports of alleged flights of Serb Republic Army transport helicopters, assessing that these are false accusations made with the aim of covering up Croatian flights over the Republic of Serb Krajina [RSK].

The following is the information service statement:

For the past two days, Muslim and Croatian media have been running reports of alleged flights of transport helicopters belonging to the Air Force and Air Defense of the Serb Republic Army.

The truthfulness of these reports can best be gauged by the fact that while Muslim media say that 20 such flights were recorded over Gradacac, Croatian media speak of 60 or more such flights.

The information service of the Air Force and Air Defense Command of the Serb Republic army is authorized to reveal these reports are false and are made in order to cover up for Croatian flights over RSK territory, which are being recorded daily by observation stations, and for flights along the border of the Serb Republic and the RSK.

Serbs 'Forced' To Launch Counteroffensive

AU2701155093 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 27 Jan 93

[Report by Risto Djogo from Sarajevo]

[Text] A fierce day in Sarajevo. It has been a long time since the city last shook to explosions as tumultuous as these coming from the heaviest artillery. The Serbian Army has lodged a protest to the UN Protection Force because of this latest Muslim offensive against all the Serbian positions in the city. Attacks have been launched against Nedjarici, Dobrinja Four, Vogosca, Rajlovac, and Zlatiste. There are constant provocations along the road from Pale to Sarajevo. Hundreds of shells from well-known Muslim strongholds in Sokolje, Zuc, Mojmilo, and Igman have been landing on the Serbian positions.

It appears to be the worst in Nedjarici and Rajlovac. The Serbian fighters are responding to these attacks. According to the Serbian military sources, one Serbian soldier has been killed while one has been wounded. The losses on the Muslim side are considerably greater. The Serbian Army was even forced to launch a counteroffensive from Rajlovac and Zabrdje. A strong attack on Vogosca has been successfully repelled, so the situation is somewhat calmer on this part of the front in the afternoon. However, it is still far from being normal and explosions can still be heard as the Muslim artillery is constantly in action.

UN Refugee Commissioner Arrives in Sarajevo

AU2701101793 Paris AFP in English 1008 GMT 27 Jan 93

[Excerpts] Sarajevo, Jan 27 (AFP)—UN High Commissioner for Refugees Sadako Ogata arrived in Sarajevo Wednesday [27 January] as the city resounded to the thump of heavy arms fire and the crackle of snipers' bullets. [passage omitted]

She then drove through snowy streets past wrecked buildings and the smoking barracks of a detachment of local Serbian fighters, hit by Bosnian Army gunners shortly before, to the residency of the commander of the UN forces in Bosnia-Hercegovina, French General Philippe Morillon. [passage omitted]

On "Snipers' Alley," the road from the airport to the city centre, two snipers' bullets—one from each side—smacked into an armoured money-transporter being used by journalists and travelling in the convoy directly behind Ogata's Range Rover.

After talks with Morillon, she was due to go on to meet Bosnian President Alija Izetbegovic.

The salvos of rockets, mortar rounds, artillery rounds and tank fire between Serbs and the Moslem-dominated Bosnian Army were far more intense than usual in a city battered by nine months of siege, and the sniper fire was also more intense than usual.

Army, HVO Hold Talks on Normalizing Relations

LD2701151993 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 27 Jan 93

[Text] A joint statement has been issued after a meeting between representatives of the Croatian Defense Council [HVO] and the Bosnia-Hercegovina Army in Gornji Vakuf. The statement stresses that a joint commission comprising both sides is constantly working, and that its efforts have already yielded clear results toward normalizing relations between the HVO and the Bosnia-Hercegovina Army in that municipality, which has in the past days been torn by fierce fighting.

Control points consisting of mixed patrols and UN Protection Force units have so far been established in four spots in the town. An exchange of bodies is now being worked on. The commission is working constantly, and it has warned citizens that they should allow political bodies and international institutions to solve the problem of internal organization of the Republic of Bosnia-Hercegovina.

President Offers Conditional Withdrawal of Forces

LD2601184593 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 26 Jan 93

[Text] At the Presidential Palace today, President Franjo Tudjman of the Republic of Croatia received Defense Minister Gojko Susak; Internal Affairs Minister Ivan Jarnjak; Corps General Janko Bobetko, chief of the General Staff of the Croatian Army; Brigadier Ante Gotovina, commander of the Split operational group; Col-Gen Ante Roso; and Zeljko Tomljenovic, deputy minister of internal affairs.

Following the meeting, President Tudjman said in his statement to Croatian Television and HINA [official Croatian news agency] that today he had received the high-ranking officials General Janko Bobetko, Brigadier Ante Gotovina, General Roso, and Deputy Internal Affairs Minister Tomljenovic, who conducted the operation of our police and military forces in the Zadar and Maslenica area, after they had carried out their task and secured the building site of, initially, a pontoon bridge and then a permanent bridge in Maslenica and the Maslenica-Zadar Road.

As the public has been told already, the operation has been completed, Tudjman said, and added that the building site of the bridge, as well as the road, were safe, and that these officials were returning to carry out their duties in their ministries and general staff in Zagreb. Under today's circumstances, in the wake of the the UN Security Council resolution the Croatian Army and forces of the Internal Affairs Ministry have been tasked with safeguarding the areas occupied until now by Serbian paramilitaries. Our Army will withdraw from the areas it liberated in the course of this operation, depending upon how the Serbian paramilitary forces will be disarmed and how they return the heavy weaponry they seized from depots controlled by the peace forces.

The entire area will be safeguarded by Croatian police forces. This also should facilitate the establishment of civil authorities and the normalization of life throughout this area, President Tudjman said in conclusion.

The meeting also was attended by Brigadier Kresimir Kaspar, head of the Military Cabinet, and Brigadier Mile Cuk, assistant to the president of the republic.

Envoy at UN Says 'Limited Action' Complete

LD2601100693 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 26 Jan 93

[Text] Mario Nobilo, permanent representative of the Republic of Croatia to the United Nations, sent a letter to Security Council President Yoshio Hatano last night informing him that the limited action by Croatian police forces and army units in the so-called pink zones within the territory of the Republic of Croatia, the task of which was to secure the area for building a new Maslenica bridge, was completed after its aim was achieved.

Nobilo goes on to say that the Croatian Government expresses deep regret over the tragic deaths of two members of the UNPROFOR [UN Protection Force] French battalion who found themselves in a crossfire during the clash. The government also expresses the hope that an independent investigation will be launched to clarify the events that caused their deaths.

Nobilo then says in his letter to the Security Council president that the Republic of Croatia expresses its strong dissatisfaction with claims made in a letter by Radoje Kontic, deputy prime minister of the Federal Government of the FRY, about the brutal Croatian aggression against the Republic of Serbian Krajina. Nobilo then says: We would like to recall that the territory we are talking about is within Croatia's legitimate and internationally recognized borders and is therefore an inseparable part of the Republic of Croatia. The letter clearly shows that the authorities in Belgrade have assumed the right to the territory of another sovereign and internationally recognized state, a member of the United Nations. Consequently, if the term aggression is to be used, it can be applied only to the militant and expansionist policy of the Belgrade authorities.

Tudjman, UN Forces Commander Discuss Resolution

LD2701000693 Zagreb Radio Croatia Network in Serbo-Croatian 2300 GMT 26 Jan 93

[Text] Croatian President Franjo Tudjman received General Satish Nambiar this evening at the latter's request. The reason for the visit, according to Gen. Nambiar, was to learn about the stand of the Republic of Croatia regarding the implementation of a resolution of the UN Security Council adopted in connection with an action of securing the construction of the Maslenica bridge.

President Tudjman reiterated that, as far as the Croatian side was concerned, the action was completed and orders to this effect were issued this morning to the police forces and forces of the Croatian Army to halt all actions. During the course of the day, they only responded to the rebels' attacks. Croatian representatives proposed that the United Nation Protection Force [UNPROFOR] mediate in the definition of a demarcation line.

Regarding the implementation of Resolution No. 802, the Croatian side is ready to withdraw its forces, depending on the cessation of provocations and attacks by the Serb formations and only when heavy weapons have been returned under the full supervision of UNPROFOR and when Serb formations of territorial defense and other units of similar purpose are disbanded.

The Republic of Croatia is not urging the renewal of armed conflicts and is ready to fully cooperate with UNPROFOR but is likewise not going to tolerate that the rebels continue to thwart the implementation of Vance's plan. Tudjman stressed that the purpose of the action was to secure the beginning of construction of the Maslenica bridge and the road between northern Croatia and Dalmatia.

Commander Says Maslenica Operation 'Limited'

PM2601143993 Milan IL GIORNALE in Italian 24 Jan 93 p 11

[Interview with Anton Tus, commander in chief of Croatian forces, by Marco Ventura in Geneva; date not given]

[Excerpts] [Ventura] So, General, why this attack?

[Tus] The operation is almost over. Our main, indeed our only aim has been achieved. We had to guarantee the safety of the workers rebuilding the Maslenica bridge and restore communications between north and south Dalmatia. Anyhow, it is not a true attack. It is a limited, local operation with humanitarian ends. [passage omitted]

[Ventura] So, General, do you confirm that it was you who attacked...

[Tus] Yes, we wished to unfetter the Vance plan, the UN plan, which the Serbs were holding up. Besides, we informed the UNPROFOR [UN Protection Force] blue helmets that if the Serbs resisted implementation of the agreements, we would use the means necessary to liberate the area. Police forces have proven to be insufficient. Now we will finally be able to build a temporary structure of pontoons. It was not aggression; we operated in the "pink" buffer zone, not in the UNPROFOR "blue" zone. The blue helmets knew of our intentions.

[Ventura] To what extent do the clashes influence the Geneva negotiations?

[Tus] The Serbs tried to portray this humanitarian, logistical, and limited operation as Croatian aggression. In practice they tried to push the discussion off track. But Lord Owen immediately rejected the Serbian attempt and exhorted everyone to dicuss the maps in a concrete manner.

[Ventura] Could Serbian and Bosnian Serbs go to the aid of Krajina's Serbs, as they have threatened? In other words, could the Serb-Croat war start again?

[Tus] No, I do not think so. There is no basis for that. Croatia only wants the Vance plan, which has been sabotaged, to be implemented. It should be UNPROFOR's task to implement it in its various phases, and this is only the seco[illegible] then there is a third, a fourth, a fifth, until legitimat[illegible] administration is restored; whereas the Ser[illegible] form a state within a state in Croatia, namel[illegible]rajina, exactly like the Bosnian Serbs in Bosnia. This is unacceptable.

[Ventura] The Vance plan provides for the return of Croatian refugees to their cities, in practice the liberation of the territories. But the Serbs will certainly not leave of their own accord. There are various signs of a possible large-scale Croatian counterattack in spring.

[Tus] There is no Croatian plan or intention to attack, either now or in spring. The problem is that for the moment UNPROFOR does not seem to be able to guarantee implementation of the Vance plan. We are calling for new decisions that will enable it to be implemented.

[Ventura] And if no one listens to you? Will you ever give up these territories?

[Tus] Never. They are Croatian territories, and the citizens belong to Croatia. For the time being we are concerned to restore communications in the Perucac area, where there is a dam, and Zemunik, the airport of Zadar, to supply water and electricity to the entire Zadar area and Dalmatia. The daily lives of 1 million people depend on this. No one, not even our Italian friends, would put up with a situation of that kind on their territory. We want the Dalmatian economy to recover, we want to guarantee the security of tourists. In short, this is Croatian territory, and to claim that this is aggression is utterly idiotic.

[Ventura] Have you used the Air Force around Zadar?

[Tus] During the 1991-1992 campaign we had civil aircraft converted for military use. But they were small planes from flying clubs or agricultural aircraft. A few MiG pilots deserted and landed at Rijeka or Zagreb. I am not sure whether they were sent up over Zadar, but it seems unlikely given the size of the operation.

[Ventura] There are rumors concerning the presence of Red Army officers in Belgrade, flanking the Serbs...

[Tus] It is true. There are hundreds of Russian military in Serbia, both advisers and active soldiers. There are also Iranians fighting with the Muslims in Bosnia, but fewer of them.

Serb Krajina President: Counteroffensive Ready

LD2701151193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1352 GMT 27 Jan 93

[Text] Beli Manastir, 27 Jan (TANJUG)—"The situation on the front has stabilized and preparations are under way for our counteroffensive to regain all lost territory and to correct the borders," Goran Hadzic, president of the Republic of Serb Krajina [RSK], told TANJUG during a visit to Baranja. Hadzic said that the RSK Government had been ready to negotiate on the use of the new Maslenica bridge for civilian purposes but that the latest events show that there can be no negotiations with the Croatian side.

The RSK president stressed that Krajina was still willing to establish a lasting peace but that no peace agreement was possible with sick minds which were thought to have been destroyed in 1945 with the departure of Pavelic [leader of pro-fascist Croatian state in WWII]. They have no sympathy for their own soldiers, let alone their opponents in the fighting.

"We fired exclusively at military targets, inflicting huge losses on the enemy, but their side targeted mainly women and children in refugee columns," the RSK president said.

In Hadzic's view, the people of Krajina cannot rely on the UN Security Council and the blue helmets and for that reason he refused to meet with representatives of either the Belgium or Luxembourg batallion in Baranja.

He did, however, speak with top UNPROFOR [UN Protection Force] officials in Knin. On that occasion they were told that if they could not protect the Serb population, they should at least send accurate reports on what was happening.

Hadzic said that "they have done precisely that and as a result the UN Security Council passed its resolution. It is very important that the Russian attitude toward the Serb nation has changed," Hadzic said. His view is that "the Serb nation now has the opportunity, with the blessing of the world community, to resolve the issue of its fate in this region."

The RSK president visited eastern Slavonija and western Srem on a fact-finding mission. In his view, the situation there is stable and the response to mobilization, percentage-wise, has been "higher than ever before, since the Battle of Kosovo [in 1389]."

Serb Krajina Government Cites UN Resolution

LD2601205193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1818 GMT 26 Jan 93

[Text] Knin, 26 January (TANJUG)—At its session today the Government of the Republic of Serb Krajina maintained that the UN Security Council's concern over "the alleged absence of cooperation on the part of the Serb authorities in zones protected by the UN Protection Force [UNPROFOR]" and the seizure of heavy weaponry by the police of the Republic of Serb Krajina constitutes "a totally biased view."

Replying to the stands of the UN Security Council resolution regarding Croatia's aggression against the Republic of Krajina, the Government of the Republic of Serb Krajina notes that "it warned UN organs determinedly, both in writing and verbally, that aggression was going to take place," while the world community did nothing to prevent this aggression in its initial stages.

"Since we have been attacked we have the right, in line with the UN Charter, to defend ourselves although we could not defend ourselves with pistols against the tanks, aircraft, and entire arsenal of artillery weapons that were used to attack us," the Government of the Republic of Serb Krajina points out.

The Krajina Government, however, supports the UN Security Council's resolute stand that an immediate cease-fire and the withdrawal of Croatian forces from the UNPROFOR-protected zones are necessary. The Government of the Republic of Serb Krajina also condemns the Croatian forces' attacks on members of the peace force.

The government draws attention to the horrible massacres committed by members of the Croatian regular army in some villages of the Benkovac municipality under their occupation.

The Krajina Government expects and demands immediate and tough action in order to implement the resolution regarding the Republic of Croatia. In this context, the government points out it will be hard to force Croatia into complying with the UN Security Council resolution.

The government finds that this view is supported by today's battles in the Krajina theater and the further concentration of Croatian troops aimed at Krajina's territory, which was also confirmed by UNPROFOR representative Maria Corazza in her unofficial conversation with reporters in the Knin press center.

Krajina Foreign Ministry Calls for Mobilization

LD2601233993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1440 GMT 26 Jan 93

[Text] Belgrade, 26 Jan (TANJUG)—The Ministry of Foreign Affairs of the Republic of Serb Krajina sent a letter to relevant bodies in the Federal Republic of Yugoslavia, Serbia, and Montenegro, calling on their state bodies to provide help in the implementation of an order by the president of the Republic of Serb Krajina on the mobilization of all citizens of the Republic of Serb Krajina who are temporarily on the territory of the Federal Republic of Yugoslavia, ISKRA news agency has reported.

The mobilization is urgent, the letter carried by ISKRA news agency says. "It is necessary to define centers in Serbia and Montenegro for the gathering of conscripts in Belgrade, Nis, Novi Sad, and Podgorica."

In case some persons refuse to heed the mobilization call-up, the Ministry of Foreign Affairs of the Republic of Serb Krajina demands that hospitality be denied to these persons, citizens of the Republic of Serb Krajina, on the territory of Serbia and Montenegro, as long as a fatherland war is continuing in Krajina—the letter says, ISKRA has reported.

Serb Council Urges Serbian, Federal Intervention

LD2601214493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1407 GMT 26 Jan 93

[Text] Belgrade, 26 Jan (TANJUG)—The Serb National Council of Bosnian [as received] Krajina today urged the federal and Serbian leadership to intervene militarily in order to halt Croatian army attacks on the Republic of Serb Krajina.

The chairman of the council, Vinko Stupar, told a news conference that if the required help was not forthcoming, "Serb Krajina will be in isolation" and Serb people would be forced to cross "the River Drina and head for the mother country."

One of the members of the council, Milan Miljevic, said that FRY President Dobrica Cosic and Montenegrin President Momir Bulatovic "are traitors of the Serbian nation," because, as he put it, they voted "against military assistance for Krajina."

Asked by journalists how he knew that Serbian President Slobodan Milosevic had not voted against such assistance, Miljevic said that he knew that from reliable sources.

Stupar distanced himself from Miljevic's claim adding "Milosevic's voice is most important" and all others "are secondary."

On behalf of the Serbian-Russian Friendship Society, its chairman, Veselin Djuretic, read out a letter sent to the Russian people saying that "Serbs are unjustly accused" and that "they need concrete and wide-ranging help."

Serbs Allege Croatian Forces Fired at UN Troops

LD2601140393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1246 GMT 26 Jan 93

[Text] Knin, 26 Jan (TANJUG)—Colonel Stojan Spanovic, defense minister of the Republic of Serb Krajina, told TANJUG today that Krajina units had succeeded in stabilizing the front line and that current defense lines had been set up "outside Obrovac in Jasenica and outside Benkovac in Novigrad."

Croatia's offensive is directed against Karin and Obrovac. It has introduced a number of fresh brigades in both directions with the help from artillery, air force, and ships," Spanovic explained. "However, our units at the front succeeded in halting their advances and in stabilizing the defense line." Spanovic says that "Croatia has for some time been indicating that it will use UN Protection Force units to carry out its aggression against the Republic of Serb Krajina."

"What we did not expect was that it would use the same level of vehemence to pound blue berets as against our units," the Republic of Serb Krajina defense minister stressed. He announced that yesterday Croatian units fired at members of the peace forces in Jasenica and Karin where "there are some dead and wounded members of blue berets."

In Col. Spanovic's view Croatia will "activate other fronts, primarily those in the direction of Drnis and other localities." This is borne out by the fact that fresh reinforcements are being deployed constantly. The Croatian attack in the south sector can be interpreted as "an aggression against the entire Krajina territory."

In reference to a resolution last night by the UN Security Council, the Republic of Serb Krajina defense minister said that it had been expected and that Croatia had launched its fresh offensive because it had known in advance what the resolution would contain.

Krajina Crossfire Traps French UN Soldiers

AU2701111493 Paris AFP in English 1053 GMT 27 Jan 93

[Excerpts] Paris, Jan 27 (AFP)—About 20 French U.N. troops are trapped in their outposts in Croatia's Krajina region, caught up in crossfire between fighting Croatian and ethnic Serb forces, the Defense Ministry here said Wednesday [27 January].

The French troops are in two separate bases between Zadar and Karin, where two of them were killed by artillery fire Monday night. [passage omitted]

French military authorities are in constant radio contact with the besieged soldiers, "who are doing fine," a Defense Ministry source said.

He said the ministry hoped they could be evacuated by other U.N. forces later in the day, adding that the two outposts were the only remaining French-manned U.N. positions on the frontline between Croats and Serbs.

Trapped Soldiers Being Evacuated

AU2701143093 Paris AFP in English 1408 GMT 27 Jan 93

[Text] Zagreb, Jan 27 (AFP)—About 20 French troops caught in a crossfire between Croats and Serbs in southern Croatia were reportedly being evacuated Wednesday [27 January] after the warring parties agreed to hold their fire, a U.N. official said here.

U.N. spokesman Sergio Apollonio said the evacuation of the French U.N. contingent had been negotiated by General Satish Nambiar, chief of the U.N. Protection Force (UNPROFOR) who travelled earlier Wednesday to the Serb-controlled enclave of Krajina in southern Croatia.

But he was unable to confirm that the evacuation had been completed.

The French soldiers had been blocked near the coastal city of Zadar, several kilometers (miles) from the Zemunik airport, which was seized by Croatian forces in the offensive they launched Friday [22 January].

Federal

Cosic Says Croatia Waging 'Genocidal War'

LD2601225593 Belgrade TANJUG in English 2233 GMT 26 Jan 93

["Pool" item]

[Text] Belgrade, January 26 (TANJUG)—Croatia's aggression on the Republic of Serb Krajina (RSK) means that it has torn into pieces the peace plan [word indistinct] U.N. secretary-general's special envoy Cyrus Vance, President of the Federal Republic of Yugoslavia Dobric Cosic said on Tuesday [26 January], adding that it was also a major blow to the Geneva peace talks on Bosnia-Hercegovina.

"Croatia has launched an all-out war against the Serbs in Krajina. Hundreds of people have been killed and thousands wounded in the region. Entire villages have been burnt down. What's going on there is a genocidal war," said Cosic in an interview to the Greek state-run television prior to his visit to Athens on Wednesday.

On January 22, Croatia attacked the territory of the RSK, which is under the protection of UNPROFOR (United Nations Protection Force), and ignored the U.N. Security Council's demand for the withdrawal of its troops to their earlier positions.

By asking the Security Council to take a strong action to prevent Croatia's aggression, the Federal Republic of Yugoslavia did what a peace-loving and democratic country can do, said Cosic.

"Naturally, we will provide maximum humanitarian and other help to our endangered people, who are today experiencing a real exodus. That is what we can do at present and what we shall do," he said.

Cosic said he believed that the United Nations and its Security Council would succeed in curbing the Croatian aggression.

He added that the Federal Republic of Yugoslavia would not give up its peace-making efforts and do all in its power to exert influence on the Serb side in Bosnia-Hercegovina to help bring an end to the war as soon as possible.

Pointing out that the problem of peace in Bosnia-Hercegovina does not depend on the Serb side alone, Cosic said that "peace must be secured by an energetic action on the part of the Security Council."

"I expect political factors in Washington, the European Community and the United Nations to pacify Islamic fanaticism and militancy (in Bosnia-Hercegovina), which are seriously threatening all efforts made at Geneva conference in view of Vance's plan," said the Yugoslav president.

We have an obligation to the future and to our peoples to do everything we can at present to prevent the spreading of the religious war waged by Moslems in Bosnia-Hercegovina from spreading throughout the Balkans, said Cosic.

Over the past ten months, Bosnia-Hercegovina has been the scene of a bloody civil, ethnic and religious war between local Moslems, (Orthodox) Serbs and (Roman Catholic) Croats.

Commenting Athens' hitherto peace-making role in the Yugoslav crisis, Cosic said that over the next few days Greece's role might become highly important and that he would discuss that with Greek President Konstandinos Karamanlis and Prime Minister Konstandinos Mitsotakis.

In his opinion, the Macedonian people are indulging in romantic efforts and practicing "some forms of chauvinism, both towards Greece and the Federal Republic of Yugoslavia, i.e. Serbia."

The Yugoslav president said that, as far as the recognition of Macedonia is concerned, the Federal Republic of Yugoslavia would "follow the European Community and do everything to avoid harming the Greek people." He added that this would be one of the topics on the agenda of tomorrow's talks in Athens.

Cosic Letter to UN Appeals Against 'Aggression'

LD2701114893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1033 GMT 27 Jan 93

[Text] Belgrade, 27 Jan (TANJUG)—Yugoslav President Dobrica Cosic sent a letter to UN Secretary General Butrus Butrus-Ghali in connection with the Croatian aggression against the Serbian nation in areas under the control of the United Nations. The letter reads:

Dear Mr. Secretary General,

I am informing you with regret and extreme concern that Croatia is ignoring all measures taken by the United Nations so far, including the latest resolution of the Security Council and other international factors, and is stepping up the aggression against the Serbian nation in areas under the protection of the United Nations.

With cynism characteristic of the aggressor, the Croatian leadership is deceiving the world public with stories of limited aims of the military operation in the areas of the Maslenica Bridge and Zemunik airport, while at the same time it is continuing the war and expanding the frontline. Today again, the fourth day of the aggression, the Croatian Army is attacking in all directions of its offensive with unabated ferocity. Artillery is destroying Serbian villages along the entire frontline, forcing the Serbian nation either into exile or to destruction. It even destroyed an Orthodox church dating back to the 17th century in the village of Islam Grcki. Civilians, mainly women, children, and old people are leaving their homes and are running away in endless columns before the sword and the flame of the Croatian Army. The Croats are bringing in reinforcements and concentrating fresh military forces and equipment in all directions. At this time, the aggressor has concentrated most of its forces on the towns of Obrovac and Benkovac, with the aim of taking them and cutting them off in order to extend its offensive toward Knin.

In order to realize their goals in the attack on the towns of Obrovac and Benkovac, Croatian commanders have concentrated large units of great military might at certain sections of the battlefront, which makes military clashes particularly difficult and causes huge casualties.

The aggressor does not spare members of the UN Protection Forces either, and has inflicted losses on them, which is why the French battalion was forced to leave its previous positions.

It is high time for the United Nations to take resolute measures which will stop further aggression and the genocide against the Serbian nation, and force the aggressor to withdraw and be punished for the crimes he has committed. By such measures, the United Nations will protect its peacekeeping troops from further losses and make it possible for the UN protection forces to fulfill their tasks. If such an action fails to materialize, the war conflict will escalate until final extinction, while the peace mission and the UN's reputation and authority will suffer a serious blow.

The Yugoslav president's letter has been delivered to Security Council President Yoshio Hatano and the cochairmen of the conference on former Yugoslavia, Vance and Owen.

Cosic Denies Agreement With Tudjman on Maslenica

LD2601214693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1710 GMT 26 Jan 93

[Text] Belgrade, 26 Jan (TANJUG)—In connection with the claim made yesterday by the Serbian Radical Party Chairman Vojislav Seselj, that—as he put it—"Federal Republic of Yugoslavia [FRY] hesitation gives us grounds for accusing Dobrica Cosic of agreeing with Tudjman about aggression aimed at taking the Maslenica bridge," the FRY President's Office stated that this was "a pure lie and vulgar slander."

The following is a statement issued by the office of President Cosic:

"The claim made by Dr. Vojislav Seselj, chairman of the Serbian Radical Party, at a press conference in the Serbian Assembly on 25 January, that FRY President Dobrica Cosic made an agreement with Tudjman to hand over the Maslenica bridge and that 'he betrayed Serb national interests' is a pure lie and vulgar slander."

Foreign Minister Hails UN Resolution on Croatia

LD2601182593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1348 GMT 26 Jan 93

[Excerpts] Belgrade, 26 January (TANJUG)—The adoption of the latest resolution by the UN Security Council means, I hope, that the international community at last has identified and named the true aggressor in the Yugoslav crisis. I believe that one now can say more clearly who is the aggressor and who the victim.

This is what Ilija Djukic, minister for foreign affairs of the Federal Republic of Yugoslavia [FRY], told TANJUG diplomatic editor Stevan Cordas today, following last night's resolution in which the UN Security Council strongly condemned Croatian aggression. [passage omitted]

The Yugoslav foreign minister stressed that "the UN resolution meets the FRY requests presented in statements by Presidents Cosic and Slobodan Milosevic at the last session of the Geneva conference."

"The resolution also meets requests presented in two letters sent to the UN Security Council for an urgent session of the Security Council and for condemnation of the Croatian aggression, which can be described as a criminal act against the United Nations, the Serbian people in these areas, and the peace conference in Geneva."

"The armed Croatian action is a classic example of an aggression that is impermissible according to the UN Charter and is directed against the United Nations and the Vance plan, which envisages seeking solutions for the crisis on the entire territory of former Yugoslavia through negotiations, not through the use of force and a further escalation of hostilities. The position of Yugoslavia, that it does not wish to be drawn into a catastrophe, thus has been acknowledged."

"The obligation of the Croatian armed forces to return to the positions they occupied before the aggression undoubtedly means that in the future, as well, every attempt to seize territory by force and under UN protection will be considered unacceptable," Djukic said. He added: "The provisions of the resolution lend full support to the UN Protection Force mission which, according to the Security Council decisions, should secure full and unquestioned protection of the Serb population on the territory under UN control, i.e. the territory of the Republic of Serb Krajina."

Ilija Djukic went on to say that last night's resolution is "one of the great guarantees to the Serb people in the Krajinas given so far that they will not be left to their fate."

"Bearing all that in mind, I think we can be satisfied with this resolution," Djukic said. "Of course, we have to observe the situation and we are ready to contribute to the implementation of the resolution in every possible way."

"The UN Security Council resolution confirmed the FRY's orientation: That the Geneva conference, which is tasked with finding a peaceful solution to the crisis on the territory of former Yugoslavia through negotiations, is the only true way, with no alternatives, and particularly not through the use of force. The FRY is urging a negotiating process, which is fully supported by the Security Council resolution."

"It is also important that the resolution was adopted at a moment when the new U.S. Administration is taking its place on the world scene and assuming its duties," Djukic said. He added: "We appreciate the statements made by UN representatives. It is difficult to single out any one because the Security Council was unanimous, but statements made by the permanent representatives of Russia, France, and Great Britain surely are encouraging. In a situation in which the entire Serbian people have been cast as demons in the world, the adoption of such a resolution is of tremendous political importance." [passage omitted]

Dwelling on the latest reports regarding the continuation of the Croatian aggression on the Republic of Serb Krajina, Ilija Djukic said: "Every further violation of international obligations and Security Council decisions, particularly the latest resolution, by Croatia and its armed forces represents an extremely serious situation, to which the United Nations and the Security Council and also other signatories of the Vance plan should react with full responsibility."

Milan Panic Says Croatia 'Wrecked' Geneva Talks

LD2601212693 Belgrade TANJUG in English 2051 GMT 26 Jan 93

[Text] Geneva, Jan 26 (TANJUG)—Yugoslav Prime Minister Milan Panic, who last month lost a vote of confidence in the federal parliament, said here on Tuesday [26 January] that Croatia had wrecked the negotiating process in Geneva and the Vance plan by attacking a UN-protected territory, the Republic of Serb Krajina, "which is more than sad."

Panic, who arrived in Geneva on Sunday, told a press conference he was confident that the Serbs in Krajina would succeed in defending themselves. "Still, all this should not have happened," he said.

The sanctions against the Federal Republic of Yugoslavia are both unfair and ineffective, said Panic and added that they should not have been applied in the first place—no sanctions have ever changed any government, let alone led to a desired end. He said he would have demanded sanctions also for Croatia had he thought that they could change anything.

However, Panic was optimistic about the current Geneva negotiations on Bosnia, but doubted that the proposed ten provinces into which Bosnia should be divided could survive economically, simply because they are small.

A map with the provinces has been proposed by co-chairmen of the conference on the former Yugoslavia Cyrus Vance and Lord Owen, who insist on its acceptance.

Panic announced that he would continue to promote his idea of a Balkan economic community, because he firmly believes that such a union can stop the war.

On Wednesday Panic leaves Geneva for Belgrade "out of moral obligation" to continue, as he has promised, to fight for peace.

Federal Army Supporting Bosnian Serbs

AU2701113093 Belgrade POLITIKA in Serbo-Croatian 26 Jan 93 p 8

[Report by D. Pejak: "Yugoslav Army Helping Army of Serbian Republic"]

[Text] Ljubovija, 25 January—The thunder of war continued today along the River Drina valley. Explosions and barrages from infantry weapons died down just after midday. However, the Yugoslav Army from the right bank of the river—that is, from its own territory—is helping out the Army of the Serbian Republic in defense of everything Serbian.

We spoke to Lieutenant-General Nikola Mandaric, commander of the First Army of the Yugoslav Army.

"By the decree of the president of the republic and the Supreme Defense Council, the Yugoslav Army is deploying a part of its forces on the right bank of the River Drina to give assistance to the Army of the Serbian Republic in the protection of the Serbian population from genocide, and is at the same time successfully protecting the Yugoslav border along the River Drina," the general said.

"For the time being that assistance consists of a certain support of the Army of the Serbian Republic and of preventing sabotage-terrorist groups from penetrating into the territory of Serbia and Yugoslavia, which is their intention, as we have learnt from the experience from Rudo and Visegrad. As for the desires of the Muslim and Ustasha forces to conquer this region on the left bank of the River Drina and to populate it with Muslims, well, that will not work, and if we receive the orders we will cross the river to help the Serbian people," General Mandaric stressed.

According to him, the Muslim forces now have much less of a chance and time to fire than was the case several days ago. The Muslim army is now directing its attacks at Rudo and Visegrad, while the units of the Army of the Serbian Republic have succeeded in taking over control of the "tactically stronger facilities toward Srebrenica."

"I would like to pay tribute on this occasion to Colonel Miladin Prstojevic, who—through his efforts, unwavering determination and loyalty to the duties he carries out, and his patriotism—has successfully coordinated all combat activities of the Bratunac Brigade of the Army of the Serbian Republic. I also want to send out a message to all the Serbs who have left Bratunac and Zvornik to hurry back and join their units. Are these patriots going to allow themselves to be considered traitors, and to be returned by the forces of the Ministry of Internal Affairs and the military police?" General Mandaric said, adding that some people were already returning to their homes.

Deputy Premier on Compliance With UN Conditions

LD2601162793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1433 GMT 26 Jan 93

[Text] Belgrade, 26 Jan (TANJUG)—Yugoslav Deputy Prime Minister Dr. Radoje Kontic sent a letter today to UN Security Council President Yoshio Natano on behalf of the Yugoslav Government. The letter stresses:

"By a decision of the Security Council—that is, in virtue of its Resolutions 752 and 757—obligations and sanctions that were later tightened were imposed on the FRY in accordance with Chapter VII of the UN Charter.

"In spite of the fact that the introduced sanctions are biased and unjust, the FRY has made active efforts to meet all conditions set by the Security Council resolutions:

"—it has actively joined the negotiating process within the framework of the conference on Yugoslavia and it has been resolutely urging an absolute cease-fire in Bosnia-Hercegovina and a comprehensive solution based on an agreement between all three constitutive nations;

"—all units of the Yugoslav Army withdrew from the territory of Bosnia-Hercegovina concluding on 21 May 1992 and they have been regularly patrolling the border between the FRY and Bosnia-Hercegovina in order to prevent any military interference and movement of possible paramilitary formations;

"—in the Geneva talks held on 2 and 3 January, the FRY endorsed constitutional principles for the organization of Bosnia-Hercegovina and resolutely urged a delegation of the Bosnian Serbs and the Assembly of the Serb republic (in Bosnia-Hercegovina) to endorse them too. This has significantly opened up opportunities for ending the war in Bosnia-Hercegovina and for a further resolution of the crisis in Bosnia-Hercegovina by peaceful means.

"The FRY Government previously created preconditions for such developments by:

"—stating clearly it opposes the use of force to redraw borders;

"—stressing it has no territorial pretensions against neighbors;

"—expressing readiness to have direct talks with former Yugoslav republics with the aim of resolving all outstanding issues, including the issue of mutual recognition (it has recognized Slovenia);

"—categorically condemning the practice of 'ethnic cleansing' by anyone;

"—setting up a ministry for human rights and actively cooperating in the practice of protection and advancement of human rights on its territory and on the wider territory of the former SFRY;

"—opening talks and contacts on how to resolve the situation and problems in Kosovo and Metohija and accepting a CSCE mission with extended mandate;

"—investing special efforts in delivering humanitarian aid and to this end urging the end to shelling of Sarajevo, the opening of Sarajevo airport, and offering free services of Belgrade airport;

"—opting for a wide-ranging cooperation with UNPROFOR [United Nations Protection Force], and to this end setting up a state committee;

"—organizing early and democratic parliamentary elections at republican and federal levels and ensuring that foreign observers were present on this occasion, etc."

The FRY deputy prime minister's letter stresses:

"All of these activities undertaken by the FRY so far have been seriously hampered by a fact which we have noted several times; namely, that the Republic of Croatia is directly involved in armed clashes in former Bosnia-Hercegovina, as well as in the zones presently under UNPROFOR control.

"The sanctions have hit hard all sectors of society, and most of all the 600,000 refugees from war-stricken areas of the former SFRY who have not been given even the basic humanitarian assistance by the world community. The highest FRY bodies informed the Security Council on several occasions in writing about the disastrous consequences the sanctions have had on the standard of living and the health service for our citizens, as well as about their destructive impact on science, culture, sport, air links, and other forms of transportation. In a word, as the result of the economic sanctions, a large part of the population lives below the breadline, and living conditions have become unbearable.

"We cannot explain in rational terms why the Security Council has turned a deaf ear to numerous appeals by the Yugoslav Government to ease the sanctions in their humanitarian sphere.

"Since the FRY has fulfilled almost all conditions within its competence and power, and considering in particular the positive results achieved at the Geneva conference so far, aimed at halting the war in Bosnia-Hercegovina as soon as possible in order to end the tragic drama in these areas, we are justified in our demand, Mr. President, that you should launch the procedure for lifting the sanctions against the FRY. With that in view, we are offering you our full cooperation."

The deputy prime minister of the federal government, Radoje Kontic, expresses his conviction that Mr. Hatano, as well as the Security Council, will give their undivided attention to Yugoslavia's demand. "We assure you that the FRY will remain faithful to its commitment and efforts directed toward reaching a permanent and just solution to all problems in the territory of the former SFRY through political negotiations." This is stated at the end of the letter to the UN Security Council president from the deputy prime minister of the Yugoslav Government.

Deputy Premier Meets Serbian Krajina Minister

LD2701123093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1145 GMT 27 Jan 93

[Text] Belgrade, 27 Jan (TANJUG)—FRY Deputy Prime Minister Radoje Kontic today held talks with Slobodan Jarcevic, foreign minister of the Republic of Serbian Krajina (RSK), who briefed him on the consequences of the Croatian aggression against the RSK territories under the protection of UN peace forces.

According to a statement by the Federal Ministry of Information, it was jointly assessed that the Croatian aggression against the RSK, in which several hundred innocent civilians and members of the Krajina police were brutally murdered and wounded, is a direct insult to the authority of the United Nations, the Vance plan, and the Geneva conference on Bosnia-Hercegovina.

It was concluded, the statement says, that the intensive diplomatic activity in the United Nations should be continued, aiming at revealing the true aggressive intentions of the Republic of Croatia and the crimes committed by its units.

It was stressed that it is necessary to resolutely demand that the United Nations observe its own decisions on the consistent implementation of the Vance plan.

It is stressed that the FRY Government believes Croatia should solve controversial issues in direct negotiation with the Republic of Serbian Krajina.

It was agreed that through the mediation of the Yugoslav Red Cross the Yugoslav Government should send urgent humanitarian aid to Krajina in the form of food, blankets, clothing, shoes, and medicine so as to help about 10,000 new refugees from areas imperilled by the aggression, the statement stresses.

War Crimes Commissioner Views Prospects of Trials

AU2701114093 Paris AFP in English 1125 GMT 27 Jan 93

[Text] Geneva, Jan 27 (AFP)—The head of a U.N. panel investigating war crimes in the former Yugoslavia on Wednesday expressed doubts whether allegations of mass murders and rapes would ever come to trial.

Professor Fritz Kalshoven told a news conference that international opinion was divided on such trials and prosecutors would have a tough time getting their hands on suspects unless the former Yugoslavia was occupied.

Kalshoven said the five-member commission had completed an interim report on its work which would be submitted in the next few days to U.N. Secretary General Butrus Butrus-Ghali.

He declined to discuss details of the report, which included findings of an investigation into a mass grave in the Croatian city of Vukovar believed to hold the remains of 200 Croats executed by Serbs in late 1991.

The Dutch legal expert said the report discussed the question of a war crimes court, a move pushed by countries such as the United States and France.

But he made it clear that empaneling such a tribunal would be no easy matter even if prosecution of Yugoslav crimes against humanity was clearly warranted by international conventions.

"There are numerous problems," said Kalshoven, citing a division of opinion among members of the U.N. Secretary Council and diplomats here on the matter as well as a host of practical obstacles.

Kalshoven said that unlike the situation after World War II, foreign forces were not occupying the former Yugoslavia and would thus have trouble gaining access to suspected war criminals.

Also to be worked out, he said, were questions such as what laws would be used, who would conduct the trials, whether special treaties would have to be drafted and who would sign them.

"I agree that it is desirable. Criminality has to be punished, justice has to be done. The international community has to take the lead in that," he said. "But we are just living in the 20th century and not in the 21st century."

Kalshoven said the commission, which first met in November, had not yet finished half its work and future efforts would focus on the Serbs' campaign of "ethnic cleansing" in Bosnia-Hercegovina and reported mass rapes.

He said the commission had accumulated thousands of pieces of information in a computer in the U.S. city of Chicago including names of alleged suspects.

One suspect frequently mentioned, he said, was a member of parliament of the Serbian province of Kosovo who goes by the name of Arkan and was a reputed criminal in Europe before becoming the alleged scourge of Moslems and Croats.

But Karlshoven would not say whether the names also included Serbian president Slobodan Milosevic and Bosnian Serb leader Radovan Karadzic, whom the United States has suggested should be tried as war criminals.

Karlshoven said the workload was daunting and his commission had asked for more staff. "When I took this job I could not have guessed it was so much—and so bad."

Commentary Views Moscow's 'Change of Atmosphere'

AU2601204993 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 26 Jan 93

[Dusan Cukic commentary]

[Text] A change of atmosphere regarding our country has been evident in Moscow recently because of—we would say above all—the persistent efforts by prominent people from Russian political and social life who visited Yugoslavia and were able to see for themselves what the situation is like. The truth has reached Boris Yeltsin as well, and he—for the first time since he came to the head of the Russian state—reproached Washington for wanting to impose its dictate on the international scene. It is now clear to official Moscow that when making major decisions, the White House more and more frequently ignores its main partner in the East. The Kremlin does not want to tolerate this inferior position any longer, especially out of its own interest, and it is in that context that one should observe Yeltsin's reproaches to America regarding the policy toward the present Yugoslavia.

At the same time, one should expect a debate to soon be initiated in the Russian Parliament on lifting the sanctions against Yugoslavia. There are more such demands recently. There is also an outstanding report today about Colonel Viktor Loginov, the first commander of the Russian UN Protection Force battalion in Yugoslavia, having said in Moscow that the sanctions against Serbia must be lifted at any cost because the embargo has no point, as innocent citizens are its only victims.

Micunovic on Outcome of Elections

93BA0494B Belgrade BORBA in Serbo-Croatian 30 Dec 92 p 9

[Interview with Democratic Party President Dragoljub Micunovic by Dragan Bisenic; place and date not given: "Milosevic and Seselj Are Fleeing From an Embrace"]

[Text] *The Democratic Party expected a larger number of deputies and a larger number of seats, thinks Dr. Dragoljub Micunovic, the party's president. As things stand now, it is possible that it will be difficult to put together a government. The Socialists and the Radicals, who should be natural allies, each for their own reasons, are not entering into that embrace. A minority government would make the Socialists the hostages of the Radicals. The Socialists had an absolute government, but now they are in the position of either sharing it or losing it.*

[Micunovic] We expected a different distribution of votes and seats, and we also expected that the Democratic Party would win more votes and seats. We were left, however, without a large number of seats in the federal parliament, deliberately or accidentally, because in five cases we were less than 100 votes short for more seats. We did not make the kind of breakthrough that we believed we could. The big surprise is the Radicals' breakthrough, but it was expected with anxiety that the Socialists would be reduced to one of the parliamentary parties, which could not rule by itself.

That is the biggest event. We have an opportunity to have the parliamentary game start to operate here as well—who will be with whom, what kind of governments. We will enter a period of coalition governments. Their appearance alone is a new element in political life. They impose a different political style; there is no more exclusivism, there is no arrogance, and tolerance and compromise are necessary.

As things stand, it may happen that it is very difficult to put together a government. If DEPOS [Democratic Movement of Serbia] and the Socialists do not form a coalition at least at the republic level, we will have great difficulties in achieving a government. I see that DEPOS is showing flexibility, and it could happen. On the other hand, with respect to the Socialists and Radicals, who ought to be natural allies, they are fleeing from an embrace, each for their own reasons. The Radicals' image, especially in interethnic relations, does not suit the Socialists, and the Radicals feel that it is not essential for them to pay the bill during the initial settling of accounts for something that they did not participate in. There are differences between the republic parliament and the federal one, where the Montenegrins are also included, so there can also be more combinations. In Serbia, the Socialists can attempt a minority government, but that is always a big risk, because they will remain the hostages of the Radicals. I consequently expect a fairly frequent government crisis and early elections again, which will require some more stable configuration.

[Bisenic] Would you support a coalition between DEPOS and the Socialists?

[Micunovic] As in the past, we will be a constructive opposition. Let everyone unite with whoever he wants to. As in the past, we will behave in a principled manner in the Assembly, and try to repay quality with quality.

[Bisenic] Do you have an explanation for this kind of breakthrough by the Radicals?

[Micunovic] For the time being we do not yet have an explanation of how regular the elections were, because there were many violations. It is hard to see what was due to the authorities' inability to organize the elections, and what was a deliberate abuse. Regardless of that, however, there is the fact that the elections were held on the verge of war and that the parties that devoted the most attention to the war and national interests with more passion encountered a greater response from the electorate that was subjected to bombardment with news about the threat to the nation.

[Bisenic] How do you assess the present personnel composition of the Assembly?

[Micunovic] The parliament will be more interesting in any case, especially in Serbia. The parties have an opportunity to provide their people, and they will certainly provide their best ones. The federal parliament has not had opposition parties, and that will make it more dynamic.

[Bisenic] In addition to the efforts that the parties made to replace the authorities, there is also a different meaning that was discussed by FRY [Federal Republic of Yugoslavia] President Dobrica Cosic, i.e., establishing multiparty rule. What can be expected now in Serbia, since that other goal was undoubtedly fulfilled?

[Micunovic] A coalition between the Socialists and the Radicals is possible, which would continue the present policy with all the negative consequences that have existed to date. Another possibility is that it will be a coalition with DEPOS, which would lead to calming relations. Finally, a government with a certain unity is possible, but it would imply a much greater compromise. That would mean that the parties will agree in advance that they will refrain from mutual attacks and struggles, and that they will work in the state and national interest, and also with an agreement to hold new elections when the situation is better and the war is over. It is hard to predict now what, from all of this, will happen.

[Bisenic] What has been happening from the end of the elections until now among the parties, and have there been any talks among them about the government?

[Micunovic] There are different assumptions about what could be done and how. There is the possibility that all the parties will form a coalition government without the Socialists, and that the Socialists will be in the opposition. That version is mathematically possible, but the relations among the individual parties are such that it cannot be carried out. The Socialists, however, are in that danger of being an opposition in both parliaments. They had an absolute government, and now they are in the position of either sharing it or losing it.

[Bisenic] After these elections, how do you view the appearance of Prime Minister Panic in the elections?

[Micunovic] He made the whole campaign a dynamic one, and introduced an optimism that had started to decline among some parties. Some parties made the voters passive with their ambivalent position on the elections. Panic's inclusion at the last minute aroused the voters' interest in the elections, but that campaign was a short one. In the final analysis, Panic received over 1.5 million votes, and that is a great deal.

[Bisenic] And how do you see President Cosic's position after the elections?

[Micunovic] His position is not threatened, as was the case with Panic. According to the constitution, it would first have to be violated, and so that would prove that he would be threatened. He announced his resignation himself in the event that the parliament would be like the previous one, which would have led to great difficulty, because there would have been major conflicts between the republic and federal authorities. Nevertheless, since the composition of parliament is different, and since Cosic probably thinks that he can play a significant role on the international level as a negotiatior with credibility who maintains our presence in international agreements, and on the other hand, he is also a factor in a certain domestic stability, because he is not challenged. What his power and influence will be like will be seen when the government is put together. He will have to start consultations with different parties, and it will be seen what kind of configuration will be created. How great his power and influence will be will depend on that.

Sanctions Blamed for 'Destroyed' Economy

93BA0496D Belgrade POLITIKA in Serbo-Croatian 23 Dec 92 p 10

[Article by A. Cubrilo-Kosovac: "The Sanctions Have Crushed the Economy"]

[Text] Just before the end of the year, when, as is the custom now, the results of economic trends in the country are summed up, only one thing is altogether certain: All of us are marked by the same sign, which is unfortunately negative. What all the documents presented to the public in recent days have in common is that the sanctions are seen as mainly to blame for these gloomy results. Judging by the results prepared the other day for a session of the Assembly of the Yugoslav Chamber of Commerce, the debacle of the various sectors of the economy coincides with the period since the sanctions were introduced.

Thus, whereas in the first five months of this year, compared to the same period of last year, the decline of industrial production was only 8.8 percent, over the period January-November of this year, compared to the same period of last year, the drop was considerably greater—21.4 percent. To illustrate the adverse impact of the UN sanctions, the authors of this analysis particularly emphasize the 75.2-percent drop in the processing of nonferrous metals, the 57.9-percent drop in the production of transportation equipment, the 51.5-percent drop in the production of power machines and appliances, the 54.6-percent drop in shipbuilding....

As rare examples of a growth of production in November of this year, as compared to the same month of last year, reference is made to the production of petroleum and natural gas—10.2 percent, and iron ore—all of 713 percent. However, when we realize that the "dowry" which 1991 gave to this year was an 11-percent drop in industrial production, then the figures on the decline of production are still more regrettable.

The sanctions particularly affected the sector of foreign trade. Both imports and exports have been reduced to a minimum. Thus, over the period January-May exports were down 26.1 percent at $1.557 billion, and over the period January-September all of 41 percent at $2.139 billion, by comparison to the first nine months of 1991.

Much the same is true of imports. Over the first nine months of this year, imports were down 22.1 percent at $3.286 billion, and over the period January-May of this year only 8.6 percent ($2.404 billion). A comparison of this September to the same month of last year is still more drastic for both exports and imports: The drops were 61.7 and 66.9 percent, respectively. Which accounts for a trade deficit "weighing" $1.147 billion, or 93.4 percent larger than over the period January-September of last year.

Only prices and the cost of living have been rising. In June, retail prices achieved a record 102.3 percent. During that month, the cost of living "jumped" 90.8 percent. Over the four months that followed, prices grew somewhat more slowly, and then in November incredible percentages were made public: retail prices up only 33 percent, the cost of living up 36.3 percent! Between December of last year and November of this year, the rise of prices and the cost of living was nevertheless horrifying: 13,479.6 and 13,230 percent, respectively. If government controls were not in place for the prices of certain products and services (oil, sugar, electric power, petroleum and petroleum products, utilities, PTT services, and rent). The numbers would have been still more disastrous.

Given that kind of expensiveness, it is no wonder that people go to stores only to look. Sales over the period January-October "slid" down all of 62 percent.

Even public expenditure has recorded a drop over this period—53.6 percent in real terms. Nominally, however, it is up 2,671 percent. Or over the period January-October of this year 546 billion dinars were collected to finance public expenditure. The most important sources for financing public expenditure were contributions of mandatory social security—46.8 percent, the turnover tax—32.3 percent, the personal income tax and corporation profit tax—16.2 percent, and customs duties—2.7 percent.

Over the period January-October, the total amount of net earnings in the FRY [Federal Republic of Yugoslavia] amounted to 390.3 billion dinars, which represents a nominal growth of 2,379 percent over the same period of 1991 and a real growth of 58.5 percent.

It is also of interest that in the structure of the money supply at the end of September of this year the economy had a share of 27.2 percent, just like last year. Over the period 1 January-23 October of this year, 218.499 billion dinars of credit which the National Bank of Yugoslavia created by issuing note were used; 39.1 percent of all the resources used went for consumption, while 60.9 percent went to production.

Roundup of Sanctions' Impact on Economy

93BA04979A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 28 Dec 92 pp 12-13

[Article by S. Pejovic: "The Sanctions: Very Great Impact"]

[Text] Just a glance at the graphs [not included] which illustrate this article indicates the very great impact of the sanctions. The overall picture is this: A dramatic decline of the physical volume of production and foreign trade, accompanied by high monthly jumps of retail prices and the cost of living, and the trend of sales in the trade sector is utterly disastrous. All of this is accompanied by a drop in real earnings of the employed labor force, with the appearance that the sectors of the economy are faring better than noneconomic activities. But the structure of total public expenditure viewed by sectors of origin actually shows that the share of the economy in total public expenditure in the course of this year has been dropping about two index points a month on the average. The race against the tax burden has been lost. Whereas, for example, in the period January-October of last year half a dinar was set aside for taxes and administrative fees for every dinar spent in the economy, over the period January-October this year about 1 dinar 10 paras were set aside for taxes and administrative fees for every dinar spent in the economy.

It is of interest that firms have behaved like a living organism when they came up against the sanctions of the world community. The very proclamation of the sanctions had the effect of a shock, and the physical volume of production fell 12.4 percent between May and June and an additional 28.8 percent between June and July. The next three months clearly showed that the economy nevertheless did not collapse under the first blow. During August, September, and October, the physical volume of production recorded a slight rise in each successive month, but all of that was not enough to return to the volume of production achieved in May: The October level of production was 20 percent below that in May. The therapy applied by injecting money from note issue into enterprises or organized mobilization to find local firms that could quickly "jump into the breach" by supplying components and assemblies previously purchased outside the present extent of the state—could not prevent the consequences of the interruption of flow of goods on which the local economy had functioned for decades.

The old rule that processes make things cloudy is once again being confirmed here. The economy's general isolation is having a varying impact on the various sectors and individual firms. Some firms have shut down operations altogether, and that will have a chain reaction in a number of other firms and entire sectors. The associations of the various industries in the Economic Chamber of Yugoslavia have drawn up a good survey of what is actually happening. What follows is a brief overview of those reports.

Petroleum and natural gas production from domestic sources increased 6.7 and 8.5 percent, respectively, but supply of the market is very critical because domestic quantities are insufficient. This especially applies to natural gas (certain quantities of petroleum products are nevertheless getting through the blockade), and it is estimated that during the winter deliveries to customers will be cut back to about 15 percent of the quantities needed. There is a fear of great difficulties with residential heating. This refers not only to technical aspects, if heating had to be "taken over" by domestic coal, but there is a problem in the mines themselves. The weak purchasing power of the population (and the government's intervention in prices) has not pulled coal production upward, and at this point underground coal mines are short 1,000 workers. Electric power production is down 7.5 percent over the first nine months, above all because of the loss of customers. The problem of the electric power industry in the future, that is, so long as the sanctions continue, is seen above all as a problem of plant maintenance (replacement parts, heavy fuel oil for igniting thermal electric power plants, and chemicals for their operation).

Ferrous metallurgy has several insurmountable problems. The first is the marked dependence on imports of basic raw materials and fuels (coke, ore, gas, scrap iron, electrodes, etc.). The second has to do with sales: Given their present specialized production structure, the steel mills are not only unable to achieve economic efficiency, they cannot ensure the technical aspect of production either. Put simply, production capacities in Smederevo and Niksic are too large for the smaller market. This is the comment of the specialized association: The survival of the steel mills depends exclusively on removal of the sanctions; there are no economic policy measures that could help them.

The production of bauxite, alumina, and aluminum are at last year's level, but a halt in bauxite production is expected even during December, and it is also possible that aluminum production will be halted in Sevojno, because basic fuels are lacking, and the inventories of finished products are huge.

Plants in the copper industry are operating between 50 and 70 percent of capacity as large inventories pile up. One production line in the smeltery and the entire light-wire (lak-zica) factory have been shut down.

Lead and zinc production are in a very difficult situation, the industry association reports. Production in Trepca has been shut down. So has antimony production at Zajaca near Loznica.

The metal-manufacturing sector, viewed as a whole, has been hit the worst. Shaken up by the disintegration of the previous national market, and then by the loss of customers in East Europe—the blockade has practically finished it off. The sectors of machinebuilding, machine tools, the auto industry, construction machines and agricultural machines, and electronics have been particularly hurt. There is practically no sector here (although there are individual firms) which will not experience long-term difficulties because of the events over the last two or three years. Above all, in the area of business ties lost with trading partners in the advanced part of the world, who represented the basis for development. In certain sectors, they are working with 25 percent of the labor force, in some with still fewer.

The chemical industry and the rubber and nonmetallic materials, which are highly dependent on imports (between 50 and 80 percent), are sectors which will suffer most dramatically, it is felt. All the fertilizer plants are idle. The production of propylene, VCM [vinyl chloride monomer], chlorine, polyethylene, and PVC has been shut down and mothballed. The possible consequences: agriculture with no fertilizer and chemicals for plant pest and disease control; halting the production of all plastics.

The situation in the textile- and leather-manufacturing industry are best described by the following figures. Of a labor force of 210,000, more than 100,000 have been on compulsory leave during the last five months; inventories of raw materials and production supplies are running out, and inventories of finished products are at the lowest level, so that a very poor supply of the market is anticipated.

The dramatic impact of the sanctions is fully manifested in this detail. The production of drugs and pharmaceutical raw materials has been exempted from the embargo. However, local firms have been reporting the following regrettable fact to the public: Their trading partners are refusing cooperation, and the exporting of drugs has been made altogether impossible.

Details of Federal Budget Presented

93BA0446A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 21 Dec 92 p 14

[Article by V. Grlickov: "A Hand in the World Bank"]

[Text] Next year the federal budget is to amount to 3.23 trillion dinars, and because its share in the estimated social product will be reduced to only 9.7 percent, the judgment can be made that it has a stabilizing function. It should be taken into account that there are additional expenditure items not covered by the proposed budget whose principal characteristics were explained to newsmen by Deputy Federal Prime Minister Radoje Kontic. These additional expenditures are for transformation of the Army of Yugoslavia in the amount of about 866 billion dinars. When these expenditures are counted, the share of the total federal budget in the estimated nominal social product would rise to about 12.5 percent.

Most of the federal budget has a fiscal function. What is more, about 60 percent (not including the additional expenditures for transformation) is for the Army of Yugoslavia. Nevertheless, an important innovation is the fact that the proposal of the Federal Government incorporates the intention for the budget to have an economic function, a development function, and a social welfare function. So-called transfers in the economy are envisaged; according to Kontic's information, a distinguished role among them is to be played by export incentives, which would be furnished in the amount of 110 billion dinars. Incidentally, the figure of $3.5 billion is used in the calculations for total exports of the FRY [Federal Republic of Yugoslavia] next year, which again implies that the government is assuming that the foreign sanctions and blockade will be removed soon (by the end of the first quarter). Other transfers in the economy include 300 billion dinars to subsidize agriculture (premiums and rebates). All of this signifies the intention of having the budget take over financing of what are referred to as priority sectors of the economy, which are today being covered by the Central Bank with primary note issue.

These are not the only transfers envisaged through the budget, because there are other significant items in expenditures for restructuring the economy, which amount to 330 billion dinars (1 percent of the social product) and expenditures for scientific and technological development in the amount of 130 billion (0.175 percent of the social product).

It should be noted that the deputy prime minister was unable to be precise about certain significant expenditure items in the budget. These are the expenditures for regional development, which still cannot be precisely determined because the relevant global policy in this area has not been adopted. Perhaps it is still more significant that it is not clear how the budget will support the social welfare function or the unemployed, whose number will certainly increase considerably (the figures mentioned at 1.3 million members of the labor force are redundant) as the intended restructuring is carried out and changes of ownership are made. It is well-known that immense funds will be required, amounting to at least 4 percent of the social product, which would yield a sum (1.32 trillion dinars) which is more than half of the total budget planned for next year. That would be an excessive burden for the budget, and that is why in the government they are counting on support from an arrangement with the World Bank (Social Safety Net). This again indicates that the government is proceeding on the assumption that the foreign sanctions and blockade will be removed.

Total public expenditure, counting all the budgets from the federal to the opstina level, along with appropriations for the health service, education, culture, athletics, and the like—would have an anti-inflationary function. It is envisaged that its share in the social product would be reduced to 45 percent (from the present 67 percent). The assumption here is that the social product will increase by over 500 percent, counting inflation (15 percent per month) and a real growth of production of about 9 percent.

The budget deficit cannot be altogether eliminated next year, and that is why it is certain that at least one-fourth of it will be covered by primary note issue and 15 percent with sales of federal securities. The ratio of the deficit to the total budget (35-40 percent), which began to be realized in the second half of this year, would be approximately retained. That is, in this part of the year the share of primary note issue in the budget is being reduced: from 97 to about 50 percent, not counting, of course, interventions to the advantage of the republic budgets. A complete instantaneous cessation of financing with primary note issue is envisaged for them next year. It is certainly being assumed that the republics will regularly pass on revenues from taxes and customs duties to the federal budget, which has not been the case this year.

About 60 percent of the funds next year would be provided from the budget's own revenues. They would be 75 percent of the turnover tax (25 percent would go to the republics), plus all of customs duties and administrative fees. It is assumed that the republics will agree to divide the turnover tax with the federation in that proportion and that the relevant law on financing the federation will be agreed to and adopted on time.

Resavska Banka Director Interviewed

93BA0446B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 21 Dec 92 pp 23-24

[Interview with Miroslava Avramovic, formerly director of the Social Accounting Service, currently general director of Resavska Banka, by M. Simovic in Despotovac; date not given: "Money's New Pathways"]

[Text] How surprised a man must be to learn that in a small place like Despotovac there is a bank with 99.9-percent private capital which takes second or third place in Serbia's banking system with respect to the level of its effective money. It sounds incredible, but it is probably true. For that matter, this is asserted by Mrs. Miroslava Avramovic, general director of Resavska Banka, who emphasizes that the rules for successful performance in the banking industry have been strictly defined long ago.

The basic formula for good banking is contained in the fact that money must not be an end in itself, but the means of effectively bringing to conclusion transactions that have been studied. Resavska Banka is a joint stock company which for the present is involved in dinar savings, dinar credits, and relending, but it expects to become involved in international payments. Mrs. Avramovic says: "We have already prepared office space in Vienna, Paris, Munich, and Stockholm for our branches, and they will go into operation virtually on the very day the sanctions are removed, and they will be run by the children of our workers abroad."

[Simovic] Banking is nevertheless a privilege of the large cities, which Despotovac is not. Why is the bank here?

[Avramovic] Our bank officially went into operation on 23 June of this year. Preparations for opening it took place over a year and a half through the operation of the Resavska Stedionica [Resava Savings Bank], which developed its business in such manner that it exceeded its own capabilities and the needs of its customers, so it was indispensable to resort to raising the operation to a higher level, that is, to opening a bank. However, the savings bank is not the bank's founder, which is the private and socialized sectors of the economy. The majority capital (99.9 percent) is private, which means that the bank has all the characteristics of a private bank. The very fact that the bank is a joint stock company means that the rules of its management are well-known. A bank's performance is not and need not be dependent upon the size of the city where it is located. However, we already have our business units in many cities, including Belgrade. We intend to continue expansion in the present and former space of Yugoslavia. The success of Resavska Banka is based on exclusive reliance on sound business firms, and for us everyone is sound who can continue to operate and realize a profit with our help, if it is necessary. The headquarters of Resavska Banka will remain in Despotovac forever. This region, which has a small, but sound economy and sound ambitions, deserves a financial injection so that it can develop more rapidly. Today, the bank has only 12 employees, it is building its own building in Despotovac with a floor area of 1,300 square meters, and the value of the savings deposits of 6,500 savings depositors over just 34 days of its operation (that is how long we have been accepting savings deposits) amounts to 1.25 billion dinars. That says something.

[Simovic] What led you to go into private banking when the position of director of the Social Accounting Service [SDK] is not bad either?

[Avramovic] I took this job not only because I have graduated from the School of Economics and business school in Grac, which gave me qualifications to engage in the banking business even outside the country, but also because I wanted to prove to myself and others that in this sphere of activity it is possible to achieve much better results than those customary in our country. That is the first determination, and the second lies in the knowledge that in our region, as well as in the region of Sumadija and the Morava Valley and more widely, financial consolidation is indispensable, for the simple reason that it has not been dealt with in banking up to this point, which is to say it has not been dealt with in the economic system. As the director of the SDK, I personally had to work out a package for payment of personal income to a firm by putting together resources from four or five accounts, with the consent of the account owners, of course, in order to provide the money for payments to a sixth party. This practice made me aware that we did not have a bank in the true sense of traditional banking.

Now we are just about to adopt a new law on the banks, which deals with this subject matter in a modern manner based on world experience. That kind of bank, based on new principles—new to us—builds a system for financial consolidation to finance juridical persons, but also for optimum saving, which always has number-one importance for any bank.

[Simovic] You emphasize saving. Why?

[Avramovic] One of the purposes for any bank's existence is to make it possible for savers to live better with their small amounts of money. I am convinced that Resavska Banka is safe and successful, and thereby also suitable for that line of business.

[Simovic] Private banks have become attractive to small savings depositors, above all because of the interest. Would you explain how private banking is able to do that?

[Avramovic] Every bank conducts its own business policy. At present, savings at 20 percent is harmful to the bank. I know that that sounds a bit unlikely to many people, but the most ordinary computation confirms it, because if we get our funds from the bank money market at an interest of 55 percent in order to pay savings depositors interest of 75 percent on their savings, it is obvious that 20 percent is dropping out of the bank's total profit. I think that in this transitional phase of our social system from one type to another (I still do not see in any of the programs of our parties how that second type of society is supposed to look), we have created a thick layer of poverty. That is why I think that our bank can take upon itself part of the burden in order to relieve the troubles of individuals. Incidentally, the money which our bank realizes will never be taken abroad; we will always be lending that money to the economy of Serbia for reproduction and also in the form of aid. Even now we are helping many athletic societies, individuals, and institutions. I do not know whether you noticed that our trademark includes Manasija Monastery, that is, Holy Trinity Church. That signifies that this bank is not without its roots. That is, our bank relies on the tradition of the prewar Gornoresavska Banka, which had almost exactly the same trademark, which we took over almost to the last detail from passbooks dating back to 1920. Even today we are providing that monastery abundant help, and we recently paid 2 million dinars for construction of the St. Sava Temple in Belgrade. I am telling you all this because I want to say that our bank does not want to distance itself from the destiny of the people, from everything our people is experiencing today.

[Simovic] What is the basis of Resavska Banka's business policy?

[Avramovic] Our bank was conceived in order to mobilize available resources from this and a broader region to speed up development of the economy's programs for prosperity. We now have as our customers 184 business organizations whose performance we follow regularly. Those firms include, for example, Galenika, the nitrogen plant, the cement factory in Novi Popovac, the automobile factory in Kragujevac, and many others from all over the new Yugoslavia. I especially point out that firms from Vojvodina were among the first to seek out this bank as a business partner. I think that that means something.

I want to emphasize our interest in accelerating the economy's programs for prosperity. As you see, our emphasis is on production programs. Put most briefly, that means that we are interested exclusively in the future and in a business organization's place, regardless of whether it belongs to the private or socialized sector. The important thing for us is whether a program can survive tomorrow and yield an appropriate profit or not. At the moment, the position of various business organizations is determined by the blockade and the unsettled situation in the country, which does not mean that their production programs are bad. With the removal of the blockade, and regularization of the situation in Yugoslavia is an inevitable process, many firms will find themselves in a new situation where they will be unable to get onto their feet without solid support from the banks. I think that this is an area in which the entire banking system of Yugoslavia, including our bank, will have to play a very important role.

[Simovic] The conclusion seems to be that Resavska Banka makes no difference between a private and socialized enterprise when it is lending money.

[Avramovic] For us, the form of ownership is not the basis for evaluating whether we will approve a loan to someone or not. We grant loans to everyone equally on the basis of a mortgage and deposits. In the case of socialized enterprises, we take a mortgage, mainly on business space and factory buildings, and that value must be two-thirds greater than the loan approved. The procedure is the same for private firms. We only do not take mortgages on residential space, because we do not want to see anyone's family put out on the street in the future. The bank also has certain humanitarian predispositions. However, this bank cannot keep up with mistaken investment projects nor firms which are facing bankruptcy proceedings; we look at the soundness and balance sheet of every enterprise which applies for a loan from us, although even those balance sheets do not always have the last word, but rather production programs, as I said a bit earlier. We have firms which have been virtually faced with bankruptcy, but with our help they have recovered in a certain time and have found their right road in business activity and they are now stable work organizations. For me, as the director of Resavska Banka, the greatest satisfaction is when a failing enterprise gets on its own feet. Then it is altogether clear to me that we as a bank have justified the purpose of our existence; our capital has been repaid, and the enterprise has a future in front of it.

[Simovic] How do you as a banker running a private bank see the socialized sector of the economy and how do you see the private sector? The question is all the more justified because you have been in a position as director of the SDK to follow events in the economy quite closely.

[Avramovic] As director of the SDK, I dealt with business activity in the trade sector, and in material prepared for the opstina Assembly I drew the conclusion that seven and a half cycles in the turnover of capital was good performance. If now in this bank I turn over one and the same capital several times a day, then you can easily imagine how I perceive today some of my former assessments and judgments. Socialized enterprises, in my opinion, should urgently examine the necessity of ending their static business operation. That means that it is time for them to put an end to their endless holdings of meetings and narrow the room for decisionmaking. The socialized firm, if a bank or some private firm is not to take it over, must find a way of growing to become a joint stock company, if only on paper if the workers do not have the money to actually buy it, which would have an impact on the overall mobility of the stockholders in finding a way toward effective business performance. I am convinced that the workers would work even longer in their own firm, if necessary, and would in that way obtain the part of their salary they are missing for a decent life; it would not be necessary to seek ways outside their own firm to improve life for themselves and their family. It all comes down to the necessity of restructuring of ownership, not so as to satisfy some form, but to provide the basic driving forces for successful business performance. Otherwise, socialized enterprises that are bad off should allow private capital to enter them, which also would include bank capital, so that they arrive at sound production programs. Some of the workers would remain in the firm after recovery and would work, say, for 1,000 German marks [DM] a month, while a new program would be provided for the others. For a pay of between DM1,000 and DM2,000 a month, every worker will work in a firm as though he owned it, it does not matter whether it is socialized or private. That means that command in one house, that is, in one firm or bank, must come from one man, a man who is able, conscientious, and honest.

[Simovic] In how much detail do you analyze the program of a firm when it applies for a loan from Resavska Banka? The question is all the more important if we look back and see how many unwise investment projects we have behind us. The private banking center cannot allow itself the luxury of unwary investment of money in uncertainty.

[Avramovic] Only good programs can attract bank money. It seems to me that we have already cleared that up. The important thing to us is not whether a program has been submitted by a private or socialized firm; the only important thing is in what kind of material position that program puts the enterprise. In our assessment, there are many good programs in the economic chambers—regional and republic. Interested parties should turn to the chambers and undertake to finance certain production operations jointly with them. They should enter into what are referred to as small programs. I think that there is now a marked interest in certain programs that ought to bring a large profit in a short time: For example, gasoline stations and the like, but there are not many people who are able to see that there is also good business in the production of paper clips, matches, and small articles in general. The bank has a specialized commission which evaluates from every angle the feasibility study for the investment in some program. We call for additional work to be done on certain things to bring them up to the necessary level for us to approve the loan. I want to emphasize that programs obtained from the chamber should be taken only as ideas. All the rest calls for additional work by experts and processing by the bank.

Activities of Private Firms Reviewed

93BA0446C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 21 Dec 92 pp 29-30

[Article by V.D.: "Progress in Spite of Everything"]

[Text] The Council of Private Businessmen in the Serbian Economic Chamber last week dealt with the urgent problems of the business activity of private firms and independent establishments and an analysis of the business operation of this sector over the first eight months of this year. This was also an occasion to lodge yet another public protest against this republic's Finance Ministry, because new tax arrangements are just now being delivered, although for the moment, it is true, this is happening only in Belgrade. The tax obligation, it is said, will go up 300 percent, the amount must be paid in by the end of the year under the threat of penalty interest, but while some of the members of the council called for an organized protest against the government and for a revision of the tax arrangements, which, incidentally, has been sent as an official request to the Finance Ministry by the Small Private Businessmen's Association from Vracar Opstina in Belgrade, who were the first to whom those arrangements were delivered, others, accustomed to such surprises, were in turn left indifferent by all that. Still others, like Mr. Zozef Loncar, felt that we should once and for all throw off the habit of general moaning and look at everything realistically and fundamentally, because anyone who really engages in private business seriously has to know that the growth of government taxes this year is still less than the rise of prices. It is another matter, Loncar says, that many approach these things in a rather dilettantish way, without a basic knowledge of the market. As he sees it, that is the main reason why a fourth of the private establishment shut down in the first six months of this year.

But in spite of everything, from general business conditions to the blockade, certain indicators of the condition of private firms and independent establishments in Serbia are nevertheless encouraging. That is, according to data of the Economic Chamber, at the end of October Serbia had a total of 138,565 firms under all forms of ownership. There were 5,529 socialized firms, 95,881 private firms, 3,864 cooperatives, 3,096 mixed firms, and about 30,000 others. The largest growth over the last two years has clearly been in the number of private firms. Thus, at the end of 1990 private firms had a share of 76.6 percent in the total number of firms, last year it was 81 percent, but at the end of October of this year it was 94.8 percent. In any case, since the end of 1990 the number of private enterprises in Serbia has increased fivefold.

Viewed by structure, the largest number of private firms is in the trade sector (61.6 percent), and the share of firms in industry and mining (12.7 percent), the crafts and trades, and other service sectors continues to be relatively small. The regional distribution of private firms in the republic shows that there are essential differences in the number of these firms from region to region. Thus, the number of private firms in the city of Belgrade continues to be dominant, although the results are somewhat better than they were in the former regions of Kraljevo, Kragujevac, Valjevo, and Nis. Incidentally, the development of private business continues on the upswing in Belgrade. Over the first five months, according to Duka Samardzic of the city's Economic Chamber, 3,195 new establishments were opened (49 percent in the crafts and trades, 15 percent in the trade sector, and so on). At the same time, 217 independent marketing bureaus were opened (Belgrade now has a total of 515), along with 101 accounting firms (so that today there are a total of 390), and then 236 new consulting firms (for a total of 461), and so on. But unfortunately only 38 percent of all the private firms are in operation today (before July, there were 10,260 of them in Belgrade).

It is also indicative to look at the number of independent establishments which have gone out of business and that the reasons why firms have done so in a breakdown by lines of business and regions. The only line of business in which there has been an appreciably larger number of establishments exiting than entering is that of passenger taxi service. In Serbia proper, in the first quarter of this year 145 taxi operators went into business, and at the same time 197 persons left that line of business. That trend was still more pronounced in the second quarter of this year, when 954 taxi operators went out of business, and only 395 persons obtained permits to go into it.

Belgrade is the region with the largest positive difference (1,500) between independent establishments starting up and those going out of business, but the number of those started up is also somewhat greater in the regions of

Kraljevo, Sumadija, and the Morava Valley. The most frequent reason given for shutting down establishments, however, is the impossibility of paying tax obligations and other obligations, and also retirement.

The members of the Chamber council had altogether differing approaches in analyzing all these figures. Mr. Milan Arsic of Zitokomerc in Leskovac even advocated organized protection against the uncontrolled opening of firms. He proposed in this connection that no one should get a permit to commence operation without employing three workers. He quite fortunately remained alone in that view, because the majority, like Stanko Kustrin, stuck by the view "that they would not be bothered even if there were another 900,000 establishments," and that this was only a new challenge for them. Mr. Samardzic noted that for years now this association has been fighting for conditions favorable to making it easy to start up a private business, and now the main orientation should be toward providing the other things that go with that. Radisa Pljakic, who commented on the overall conditions for private business in our country, had this to say: "In chairing the council for two years now, I have always had the impression that general favorable solutions were close, but always someone pushes them further away. We were overjoyed when we got legislation making it easy to open up a private business. But today we must fight for conditions so that small firms can become large. So that we have at least the same conditions for that as the socialized firms do." In any case, the majority of the members of the council were happy that the government has finally taken up their initiative, dating back two years, that it form at least a ministry for business enterprise. Its role would be to help in reconciling regulations, in obtaining tax exemptions, "because every government stimulates what it needs," and then in financial support through more favorable loans, and so on. But whether such a ministry will actually help them depends above all on the effectiveness of the government administration itself, because judging by the business results of private juridical persons in the republic over the first six months of this year, they once again showed their inherent vitality. That is, this year semiannual statements were submitted in the republic by 31,580 private juridical persons, representing 78.2 percent of all the periodical statements filed by firms in the economy. Compared to the situation at the end of last year, the number of private firms has increased 33 percent, or by 7,977. Because our official records customarily classify newly established firms among "small firms" during the first year of their business operation, 97.1 percent of private firms have the status of small juridical persons. But the results speak of a growth; their capital formation represents 33.2 percent of the capital generated by the entire economy, and at the same time these so-called "small" juridical persons employ only 3.3 percent of the entire labor force (only two workers on the average). In any case, privately owned organizations employ a total of about 62,000 workers, which is about 12,000 more than were employed in this sector at the end of last year. All agree, however, that the real number of those working in the private sector is probably considerably greater, as indicated by the datum that 2,822 of the 8,050 firms examined did not register a single employee.

Private ownership, then, aside from being more and more in evidence, is also becoming an increasingly important factor in business activity, as can be seen from the figures in the table. Difficult business conditions have obviously hurt the private firms less, which is mainly explained in terms of greater ease in moving their capital, the low organic composition of that capital, shorter collection periods, fewer employees, and generally more efficient business operation.

Performance of Private Businessmen

		Share of Private Businessmen in Total Economy, in Percentage		
	Amounts in Millions of Dinars	**Jan-Jun 91**	**Year-End Statement 91**	**Jan-Jun 92**
Gross income	175,641	117.60	10.50	17.90
Gross profit	13,766	13.20	13.70	33.20
Income	16,148	3.00	3.80	13.20
Personal income, relative to sales	2,522	1.90	1.80	2.50
Total loss	1,600	4.90	3.60	2.80
Profit	13,765	7.00	8.70	33.10
Capital formation	13,148	22.50	27.40	34.20
Number employed (absolute number)	61,948	2.40	2.70	3.50
Average personal income per worker, in dinars	4,751	72.91	68.41	65.[illegible]1

Serbia

Jovanovic Discusses UN Resolution on Croatia

AU2601212493 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 26 Jan 93

[Interview with Serbian Foreign Minister Vladislav Jovanovic by Dusan Cukic in Belgrade—live]

[Text] [Cukic] Our guest today is Serbian Foreign Minister Vladislav Jovanovic. Mr. Jovanovic, we all know what kind of resolution the UN Security Council has adopted. It is sharp in relation to some past circumstances, and yet it is too mild for what is actually happening on the territory of the Republic of Serbian Krajina.

[Jovanovic] Yes, the resolution has gone one step forward, a significant step forward in comparison with the earlier verbal statement by the chairman of the Security Council, but it is not going far enough for such a situation. The resolution expresses great concern because of this attack. At the same time, the resolution expresses concern that Cyrus Vance's plan is not being implemented. The resolution is, in a way, making a forced symmetry between the events that are different in their nature, between those taking place in peace and those taking place in war.

On the other hand, this sharp warning, or a signal that was sent to the Croatian side concerning its aggression, was not followed up on with appropriate sanctions or deadlines by which the armed forces of Croatia must withdraw from the UN-protected zone. At the end of the resolution, the Security Council committed itself to actively follow the entire situation, but has not empowered the secretary general to follow the situation and regularly report to the Security Council on further developments. This formulation is used in cases when the Security Council intends to take an even firmer stand.

Nevertheless, despite this, the resolution is very important because the world organization is dealing with Croatia as an aggressor on the territory of Yugoslavia for the first time. Croatia was an aggressor even before this, more than an obvious aggressor. Its aggression on Bosnia-Hercegovina is still going on. Some 60-70,000 soldiers of the regular Croat army are still on the territory of Bosnia-Hercegovina. Croat aircraft are flying over Bosnia-Hercegovina, despite the resolution banning this. Therefore, this is a very important turnabout in the stand of the United Nations toward the Croat-Yugoslav crisis, which compels the world organization, I hope, to make further more consistent and appropriate steps.

The next step should be made very soon, maybe even tomorrow, and should set a very short deadline and indicate reprisal—that is, punitive measures that will be applied against Croatia if it does not comply with the UN decisions.

Let us not forget, it is not only the will of the United Nations to solve a case of a flagrant aggression that is now being tested. The United Nations must ensure the authority of its decisions on the territory of the former Yugoslavia and the settlement of the crisis there.

If the UN Protection Force were to lose its authority and stop being a guarantor of peace and safety of the people on the territory where they are deployed, then the United Nations would not have anything to do in the further settlement of the Yugoslav crisis. This is very important and I believe that, despite the forces that had certainly given a signal to the Croatian president to embark on this adventure, the forces that are obviously supporting him for other less visible strategic reasons, the Security Council will have to make a few more steps forward and not only stop this aggression, but also send Croatia back to its initial positions.

[Cukic] Mr. Minister, could you answer one more question. Can all this that the Croats are doing with the Republic of Serbian Krajina be connected with the situation in Bosnia-Hercegovina and the Geneva conference?

[Jovanovic] Absolutely. The fire that was opened on the Serbian people in Krajina was aimed at the peace process. This action, therefore, is not isolated. Behind it are all those forces that do not care for a speedy or instant cessation of the war in Bosnia-Hercegovina, forces that are very interested in this war continuing. If this is not possible, they would then want to open a similar crisis spot because this is the only way to justify the maintenance of the sanctions as the means of exerting further pressure on us and achieving aims about which some newspapers are already openly writing.

[Cukic] Thank you.

[Jovanovic] You are welcome.

Croatian Towns, Villages Said 'Cleansed' of Serbs

LD2601154993 Belgrade TANJUG in English 1528 GMT 26 Jan 93

[Text] Belgrade, Jan 26 (TANJUG)—Ten towns and 183 villages in western Slavonia, Croatia, have been cleansed of all Serbs, an organization assembling Serbs in Croatia has said.

Vojin Dabic, head of the information centre of the Serb Assembly, said that since July 1991 52,320 Serbs had been driven out of the area, and that apart from the said 193 communities ethnic cleansing had been partially implemented in another 87. Stressing that the numbers quoted were far below the true figures, Dabic said detailed data about ethnic cleansing of Serbs in Croatia would be published soon.

The Croatian authorities are not content with just expelling the Serbs—they are now trying to erase all traces of their culture and the imprint they have left in the said areas during the centuries they spent there, Dabic said.

Stressing that most churches and other buildings belonging to the Serbian Orthodox Church in western Slavonia had been looted, damaged or totally destroyed, Dabic said the most important of them were the cathedral and bishop's palace in the town of Pakrac.

The Serbs proclaimed their own Republic of Serb Krajina (RSK) in 1991 in areas inside the administrative borders of Croatia where they are the majority population in protest over Croatia's secession from Yugoslavia and the degradation of their status in its new constitution from a nation to a national minority.

Oil-Carrying Barges Enter Serbian Danube Waters

AU2701091493 Paris AFP in English 0903 GMT 27 Jan 93

[Text] Bucharest, Jan 27 (AFP)—A Serbian river convoy of barges carrying 6,000 tonnes of fuel oil entered Serbian Danube waters late Tuesday [26 January] in defiance of U.N. sanctions, officials said here Wednesday.

The tug Bihac and its six barges sailed into Serbian waters, just after the border triangle between Serbia, Romania and Bulgaria, at 9:30 p.m. (1930 GMT) Colonel Dragomir Horomnea, a spokesman for the Romanian Coast Guard command, said.

The convoy had slipped past the last Bulgarian customs post on the Danube on Tuesday after refusing to heed calls to stop for checks at Vidin, the last river port before the border with Serbia.

Altogether, four barge fleets are heading up the Danube, and their crews have threatened to set the cargo on fire if any attempt is made to stop them. They had all been held for a month at eastern Romanian river ports, under the U.N. embargo against rump Yugoslavia.

But a week ago, the Bihac, given permission to return to Ukraine, did an about-turn to head the other way, ignoring calls from officials in Romania and Bulgaria on both sides of the Danube to stop. The other convoys followed suit on Saturday.

Sandzak Leader on War Victory Option

93BA0496C Belgrade POLITIKA in Serbo-Croatian 23 Dec 92 p 8

[Article by S. Bakracevic: "Ljajic: The War Option Has Triumphed"]

[Text] Novi Pazar, 22 Dec—The results of the election in Serbia show the great commitment of the voters to fascism, newsmen were told today by Rasim Ljajic, secretary of the Sandzak SDA [Democratic Action Party]. According to him, the outcome of the election confirms that Serbia has entered upon unprecedented fascistization, and the high percentage of votes for the Socialists and Radicals signifies the triumph of the war option over the peace option and symbolizes the triumph of "expansionist" over democratic Serbia and the readiness of a majority of the Serbian people to fight the whole world. Ljajic sees the only bright spot in the election to be the fact that the right-wing parties and Royalist bloc (the SNO [Serbian National Renewal], the People's Party) have fallen.

"The election clearly differentiated the two opposed blocs. In one, there is the communist-fascist coalition, while the other is the democratic bloc within the framework of DEPOS [Democratic Movement of Serbia], which we will continue to support by extraparliamentary means," Ljajic said.

The SDA secretary said that Serbia can now expect still greater international pressure and isolation and a new package of punitive measures already prepared. And the Muslims in Sandzak, according to him, can anticipate additional political, police, and economic pressure.

"We will respond solely by democratic means to the Kosovo scenario which the Socialist opstina Assembly began to carry out here and which will be continued by the newly elected Socialist-Radical Assembly (the firing of Muslim personnel from their jobs and changing the names of streets and settlements). We will alert the democratic community and we will seek help from the democratic forces in Serbia," Ljajic said.

Ljajic believes that true democratic elections will be held in the fall of next year, because the results of these elections will cause a parliamentary crisis. The scant participation of Muslims in the election is proof of the legitimacy of the SDA. As for the opstinas where that participation was greater, in the western section of Sandzak, for example, Ljajic said that that was also done at the suggestion of the SDA; otherwise the Muslims, particularly where they are a minority, could have expected additional pressures and reprisals.

Answering a question about the splits in the SDA, more precisely between him and President Sulejman Ugljanin, Ljajic said that "so long as Seselj and Milosevic are in power, we have no moral right to concern ourselves with internal party affairs."

Kosovo

Serbian Assembly Forcibly Takes Over Enterprises

AU2701061193 Tirana ATA in English 1127 GMT 24 Jan 93

[Text] Tirana, January 24 (ATA)—In order to further extend its power to the spheres of economy, Serbia's assembly has approved the Law on the Activity of the

Republican Organisations on Specific Environments. This law which was approved in 1990 soon after the military-police intervention of the Serbs in Kosovo has allegedly served as a juridical basis to issue other decisions, such as the socalled temporary measures which have extended to almost all the working collectives of Kosovo. Although these measures were imposed for an allegedly short period, up to one year, they continue to act even today. On their basis the process of changing the ethnic structure of the workers in the Kosovar enterprises began. The Albanian directors were replaced and they were left unemployed also followed by the workers. Now their number amounts to over 100,000.

Following the application of the law which provides the Serb organs with the right to act on specific environments, Serbia's assembly issued the Law on the Conditions and Procedure of Transforming the Social Enterprises into Other Forms of Ownership. This law, which sanctions the open plundering of the Kosovar enterprises, was later followed by a circular letter, which defined the schedules of the economic activities those collectives should carry out and instructed their Serb leaders to join them to Serbia's enterprises. It is understandable that these measures aim nothing but the plundering and ruining the Kosovar economy.

The said law defines two forms of plundering: through share-holding companies with mixed ownership and the companies with limited responsibility. Anyhow, both cases clearly define the obligation that 51 percent of the capital of the enterprises becomes property of the socalled fund for the development of the Republic of Serbia, whereas its 49 percent remains in the enterprise. This aims at transferring the department and administration in Serbia and doing away with any form of running and exploitation of this asset by Kosovo. This process of transformation is further deepening and now those collectives that have not been violently joined to the Serb enterprises are few.

Macedonia

Gligorov Invites Greek Premier To Negotiate

AU2601204093 Paris AFP in English 2034 GMT 26 Jan 93

[Text] Skopje, Jan 26 (AFP)—Macedonian President Kiro Gligorov invited Tuesday [26 January] Greek Prime Minister Konstandinos Mitsotakis to sit down with him and discuss Athens' opposition to the recognition of this former Yugoslav republic.

"I would like to meet Mitsotakis in Skopje, Athens or any place of his choosing," said Gligorov in an interview here. "We must begin negotiations as reasonable men with serious issues to discuss."

Macedonia's attempt to be recognised by the European Community has been vetoed by Greece for a year now. Athens claims the name Macedonia belongs exclusively to a Greek northern province, and it also alleges that Macedonia has territorial ambitions against Greece.

"We have no territorial claims against Greece," Gligorov said, speaking a day after his government filed an application for international recognition to the United Nations Security Council.

The president rejected any chance of Macedonia's changing its name to gain recognition, even a compromise name such as Macedonia-Vardar or North Macedonia.

"We have chosen a name, and it is not negotiable."

The president of the Macedonian parliament Stojan Andov told AFP that he had a secret meeting with Mitsotakis during the economic conference in Davos, Switzerland, in February 1992.

"We were talking about a possible agreement, but unfortunately certain Europeans adopted an intransigent attitude," he said, without elaboration.

Gligorov Receives European Parliament Delegation

LD2601234493 Skopje Radio Macedonia Network in Macedonian 2100 GMT 26 Jan 93

[Text] A delegation of the European Parliament, which has been paying a visit to the Republic of Macedonia, was received today by Macedonian President Kiro Gligorov. Their talks focused on Macedonia's policy toward its neighbors. In this connection, President Gligovor stressed that peace in the Balkans can be secured only through the democratization of Macedonia's relations with every separate country, the cessation of hostilities in former Yugoslav republics, the resolution of the Kosovo issue in a peaceful way, and particularly through international recognition of the Republic of Macedonia.

Montenegro

Deputies Elected for Federal Chamber of Republics

LD2601185193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1455 GMT 26 Jan 93

[Excerpts] Podgorica, 26 Jan (TANJUG)—At a session held today, the Montenegrin Assembly elected deputies who will represent this republic in the Federal Assembly's Chamber of Republics. [passage omitted]

The following deputies were elected by secret ballot from the list of the Democratic Party of Socialists: Srdjan Bozovic; Asim Dizdarevic; Miodrag Vukovic; Milos Radulovic; Asim Telacevic; Dragan Kujovic; Radoje Kontic; Zoran Zizic; Branko Vukmanovic; Uros Klikovac; Novo Becanovic; Milutin Ojdanic; Milan Bojanic; Milo Markovic; and Milutin Vukic.

Bozidar Bojovic, Novak Kilibarda, and Velibor Popovic received the most votes from the list of the National Party. Ilija Darmanovic and Milenko Gazdic will represent the Serbian Radical Party in the Chamber of Republics.